

Hope Lutheran Church Board of Directors Policies

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1 Governance Policy

The purpose of the governance policy of Hope Lutheran Church is to ensure that the resources of the church are managed in accordance with the vision of the congregation. It is the Directors' obligation to ensure that this policy is carried out in the highest ethical and legal manner.

1.1 Primary Functions of the Board of Directors

- A. Shepherd the vision of the congregation.
- B. Review, approve and monitor financial objectives, major strategies, and plans of the congregation.
- C. Evaluate performance of the Senior Pastor.
- D. Provide advice and counsel to the Pastors and Staff.
- E. Nominate and recommend to the congregation for election an appropriate slate of qualified candidates for the Board of Directors and Officers.
- F. Evaluate Board processes and performance annually.

1.2 Duties of the Board of Directors

In performing these functions and in exercising their fiduciary duties, the Board of Directors carries out a number of activities during the year, such as:

- A. Developing and approving a spending plan for submission to the Voters' Assembly.
- B. Adopting policies to conduct church business; including compliance with applicable laws and regulations, and maintenance of accounting, financial, and other controls.
- C. Staff development is reported on at least annually by the Senior Pastor to the Board.
- D. Elect a Chairman of the Board and appoint a Recording Secretary of the Board.
- E. Assign each Board member to one of the standing committee

Adopted 01/27/05

Revised 08/23/12

2 Code of Conduct and Removal from Office

A board member's principal responsibility is to make sound decisions and provide oversight so that Hope conducts its business activities in the long-term best interest of the congregation. In essence, this precludes board members from acting in or considering their own self-interest in the exercise of their judgment on behalf of the congregation. Board members should be alert and sensitive to possible conflicts of interest. Board members must be sensitive to information gained as a result of board membership. No information gained as a result of board membership may be discussed with others unless the information has been made generally available to the congregation. Board members must never use confidential information for personal purposes, or as a tip to others. Board members are required to attend scheduled meetings and comply with the board's attendance policy.

Officers and/or Members of the Board of Directors will be removed from their office when they are incapable or unwilling to carry out the duties of the office, living an open, unrepentant lifestyle or have demonstrated malfeasance in office. The Board of Directors will initiate, investigate and by two-thirds majority vote to remove such an officer or board member from office.

Adopted 01/27/05
Revised 08/23/12
Approved 01/26/17

3 Federal Income Tax Exemption

As a member of the Lutheran Church Missouri Synod (LCMS), Hope Lutheran Church qualifies for exemption from federal tax, Hope's employer identification number is 74-1927361, and is eligible to issue tax-deductible contribution statements to donors. This exemption is allowed under Section 501(c)(3) of the Internal Revenue Code. To maintain this exemption, Hope Lutheran Church must remain organized and operated exclusively for religious or other charitable purposes, its net earnings may not benefit any private individual or officer, no substantial part of its activity may be the carrying on of propaganda or otherwise attempting to influence legislation, and the church may not intervene in political campaigns. The Hope Lutheran Church Staff is responsible to the Board of Directors to assure that this exemption is maintained so long as the exemption does not jeopardize the church's ministry objectives and goals.

Therefore, Hope Lutheran Church leaders will not knowingly perform "prohibited activities" which could result in the denial or revocation of Hope Lutheran Church federal income tax exempt status as granted under Section 501(c)(3) of the Internal Revenue Code. The Ministry Staff will continually pray for its governmental leaders and submit to their authority as outlined in Scripture.

Revised 08/23/12
Approved 10/25/12

4 Organization Charts

Since it is critical to effectively perform the various works of ministry within Hope Lutheran Church, organizational charts will be prepared and updated by the church staff as required, and effectively used to communicate the numerous ministries and staff positions of Hope Lutheran Church.

Revised 08/23/12

Adopted 10/25/12

5 Orientation

Every new member of the Board of Directors will have orientation training. The primary goal for this training is to enable the new board member to serve effectively. The Board of Directors and Ministerial Staff will develop and conduct these orientation sessions. A copy of the Board of Directors Notebook will be provided to each participant for his or her review and future use. An introduction of the Staff and a tour of Campus facilities can also be part of the orientation process, if necessary. For a detailed presentation of orientation, see Section 32.

Revised 08/23/12

Approved 10/25/12

Revised 02/23/17

6 Board of Directors Manual

Each new Board member will be provided a Board of Directors Notebook that will include, but is not limited to, the following information:

- A. Primary Governmental Documents
 - 1. Constitution
 - 2. Bylaws
- B. Strategic Vision and Plan for Hope Lutheran Church
- C. Organizational Charts
 - 1. Leadership and ministries
 - 2. Staff
 - 3. Directory for the Board of Directors including election results
- D. Ministries
 - 1. Ministry Descriptions
 - 2. Ministry Leader
- E. Current year meeting schedule
- F. Historical Information about Hope Lutheran Church
- G. Previous Year's State of the Parish (as reported during a Voters' Assembly Meeting)
- H. Financial Matters
 - 1. General Operating Budget for the current and previous fiscal year
 - 2. Prior Fiscal Year Financial Summary/Recap
- I. Board of Directors' Policies Manual

The documents included in this binder will be continually updated and revised under the supervision of the Business Manager's office. These binders are to be returned to the Church office when the Board member's term is completed.

Revised 08/23/12
Approved 10/25/12
Revised 03/23/17

7 Senior Pastor's Annual Review

In September of each year the Board of Directors will conduct its annual review of the Senior Pastor. If the Senior Pastor was called in the current year, a six-month period must have passed before his first evaluation. The Board of Directors will appoint a Review Committee consisting of Board members and members of the congregation. This Committee will submit a written report of the review process.

The first step in the evaluation process will be the Senior Pastor's preparing an assessment of the state of the parish and his role in its life. It will include such areas such as accomplishments of personal and ministry objectives, statistical information, leadership of Staff, major program initiatives, etc.

The Committee is encouraged to solicit input from the Board members and members of the congregation to be incorporated into the review process and then to proceed with the annual review.

The entire Board of Directors and the Senior Pastor will review the Committee's written report, noting accomplishments and areas to which the Pastor will show sensitivity, etc. The Senior Pastor's Position Description will be updated, if necessary, and discussion of future directions and initiatives will be noted.

The report will be signed by the President of the congregation and Senior Pastor and filed in his personnel file. The Board will summarize the review in a report to the next Voters' Assembly.

Approved 03/21/13

Revised 04/27/17

8 Review of Other Staff Members

The Senior Pastor is the Board of Director's link to the ministry, performance and conduct of the Church Staff. The Senior Pastor has all authority and accountability of Staff, as far as the Board of Directors is concerned.

The Board of Directors will not evaluate any Staff member other than the Senior Pastor, nor will they give instructions to any member of the Church Staff. Any concerns regarding the performance or conduct of a member of the Church Staff, as expressed by any member of Hope Lutheran Church, shall be reported to the Senior Pastor. A member of the Board of Directors will act as an advocate for any member of Hope Lutheran Church wishing to make such a report when requested to do so. Any observation of a member of the Church Staff exceeding the expectations of their performance will also be promptly reported to the Senior Pastor.

The Senior Pastor is required to establish procedures to adequately evaluate the performance of his Staff in light of their position descriptions and ministry tasks, focusing on the processes as well as the objectives. Any new initiatives will be noted and evaluated in successive reviews.

The Board of Directors will determine the Annual Staff Compensation Plan. This determination is primarily the responsibility of the Personnel Committee but requires coordination with the Financial

Committee. The plan will specify the compensation of all members of the Church Staff, including the Senior Pastor.

Approved 03/21/13

9 Facilities Committee

9.1 Description

The Facilities Committee reports and makes recommendations to the Board of Directors regarding facility needs. The committee will meet at least annually in the Fall with the Facilities Manager and Business Manager to review facility strategies, prior year maintenance activities, any concerns or issues, and short and long term maintenance plans. The Facilities Committee along with the Facilities Manager and Business Manager will provide recommendations to the Board of Directors for the following year.

The Finance Committee will include the recommendations in the draft Spending Plan that is presented each year to the Board of Directors for approval.

Committee Charge: To recommend for the Board of Directors consideration:

- A. Future facility needs
- B. Timelines
- C. Building capacities
- D. Maintenance or facility upgrades
- E. Cost estimate

9.2 Membership

Facilities Committee consists of a subset of the Board of Directors to represent the many facets of Hope Lutheran Church. The Chairman of the Facilities committee will be selected on a rotating basis for a 3 year term.

The Facilities Committee may interact with and receive ad hoc advice from various other church groups to ensure all needs are evaluated.

9.3 Description of Duties

- A. Review the operations and capabilities of Hope Lutheran Church facilities and, when appropriate, recommend common standards and approaches
- B. Improve planning, coordination, and communication concerning facilities needs
- C. Provide a forum for the exchange of information on long-range plans regarding the construction or deactivation of existing facilities

Approved 08/08/13

10 Finance Committee

10.1 Description

The Finance Committee reports and makes recommendations to the Board of Directors regarding financial matters. The committee convenes as needed to address pertinent financial issues and formulate policy for recommendation to the Board.

The Finance Committee receives input from the Facilities and Personnel Committees and evaluates the impact on the Spending Plan. The committee reviews the Spending Plan prior to presentation to the Board.

10.2 Membership

The Treasurer chairs the Finance Committee and is a permanent member of the committee. The Business Manager is also a permanent member of the committee. Other members are appointed by the Board and may or may not be a member of the Board. Committee membership is reviewed in April of each year. Committee membership shall not be term limited.

The Finance Committee may interact with and receive ad hoc advice from various other church groups to ensure all needs are evaluated.

10.3 Description of Duties

- A. Review the Spending Plan for recommendation to the Board.
- B. Administer approved financial policies and procedures.
- C. Collect input for long-range planning and assess the financial impact.

Approved 10/25/12

Revised 05/25/17

11 Personnel Committee

11.1 Description

The Personnel Committee reports and makes recommendations to the Board of Directors regarding personnel related matters. The committee convenes in the fall each year and, in conjunction with the Senior Pastor, makes recommendations to the Board in January for salary and benefits inputs into the Spending Plan.

The Committee will review Staff goals and performance evaluations with the Senior Pastor prior to the Pastor meeting with Staff members. The Committee provides the Senior Pastor with performance feedback and, with the Board of Directors, partners in goals for the Staff team. The Committee, in conjunction with the Pastor, develops compensation and benefits plan changes and presents recommendations to the Board of Directors. The Finance Committee will include the recommendations in the draft Spending Plan that is presented each year to the Board of Directors for approval.

Committee Charge: To recommend for the Board of Directors consideration:

- A. Personnel hiring or calling
- B. Annual staff compensation plan
- C. Senior Pastor Performance Review

11.2 Membership

The Personnel Committee consists of a subset of the Board of Directors and the Senior Pastor. The Chairman of the Personnel committee will be the Board Officer who is assigned to the Personnel Committee. These appointments will occur at the first Board meeting after the annual election of new Board members.

The Personnel committee may interact with and receive ad hoc advice from various other church groups and Hope members to ensure all needs and reservations are evaluated.

11.3 Description of Duties

- A. Develop job description and recommend compensation and benefits plan for Staff positions and when performing a call for a new Pastor.

Steps for performing a call for a new Pastor are defined by the Texas District of the Lutheran Church – Missouri Synod and detailed at the following website:

<http://txlcms.org/call-process>

Notifying the District President to relay intentions will initiate the call and guidance will be provided throughout the process.

- B. Provide comments to the Senior Pastor on the performance of the Staff prior to their annual performance reviews. Develop compensation and benefits plan change recommendations for presentation to the Finance Committee for incorporation into the draft Spending Plan.

To ensure Hope's employee positions are competitive with other churches, the Personnel Committee will perform periodic assessment of full time Staff compensation.

Note: All employees of the church shall receive an annual written performance evaluation. The annual performance evaluations of the church Staff and employees shall be completed each year by the Senior Pastor (or by his designated appointee) in October before the succeeding year's spending plan cycle begins.

The Personnel Committee will review a checklist/report created by the Business Manager that indicates each employee file contains the hiring forms required by law. This includes the W-4 (Employee Withholding Allowance Certificate), I-9 (Employment Eligibility Verification), and insurance benefit election forms, along with any attachments that are necessary as described in the forms. This checklist/report will be created in September of each year (after a new pre-school year begins) and submitted to the Personnel Committee prior to the October Board meeting. The checklist will certify that the inspections of all employment files have been conducted and that any problems or omissions have been rectified.

- C. Prepare and perform the annual performance review for the Senior Pastor, and provide a summary report for the October Board of Directors' meeting. If desired, the Personnel Committee itself can perform this duty, or the Committee can nominate a four member Pastoral Review Committee to perform the evaluation. If a Pastoral Review Committee is formed, the members, who serve for only one year, are approved by the Board. In case a separate four member Pastoral Review Committee is chosen, it should be comprised of one member from the Personnel Committee, one other Board member, and two non-Board members of the congregation.

Approved 05/23/13
Revised 05/25/17

12 Evaluation of the Board of Directors

As Churches were established in the faith, and when more than one person became qualified, leaders were appointed to continue the minister-teaching ministry in each local Church. To the leaders was given the ultimate responsibility for the oversight of that particular Church body and the shepherding of its members. Plurality of leadership is required in scripture (Philippians 1:1; Titus 1:5). Qualifications must be followed in the selection of leaders (1 Timothy 3:1-7; Titus 1:5-9).

Board members are to oversee the life of the Church with the assistance of other godly leaders. They must be people who can "rule well." Board of Directors will be selected to assist in the management and ministry of the Church (1 Timothy 5:17).

Additional governing responsibilities of Board Members are as follows:

- A. Envision the unique ministry of the Church
- B. Maintain the Church's mission and purpose statement
- C. Preserve the Church's core values
- D. Approve major policy issues
- E. Lead in quality strategic ministry planning
- F. Keep members adequately informed on key management issues of the Church
- G. Exercise fiscal oversight of the Church's operations

Evaluate performance based upon the primary functions and duties of the Board of Directors as listed in Sections 1.1 and 1.2 and specific additional annual goals adopted by the Board.

Approved 08/08/13

13 Director's and Officer's Liability Insurance

Even though state law limits the liability of individuals who serve as volunteer directors and officers, Hope Lutheran Church will provide adequate levels of liability coverage on its directors and officers. This coverage will include legal fees and other expenses involved in defending against a claim.

All forms of compensation and benefits paid to or provided for the Senior Pastor of Hope Lutheran Church are solely in consideration of his position of Senior Pastor, and not as a corporate officer or director of Hope Lutheran Church. The Senior Pastor's service as a corporate director or officer of Hope Lutheran Church is viewed entirely as volunteer service.

Approved 08/08/03

14 Confidentiality

Hope Lutheran Church Board of Directors may not disclose, divulge, or make accessible confidential information belonging to or obtained through their affiliation with Hope Lutheran Church to any person, including relatives, friends, and business and professional associates, other than to persons who have a legitimate need for such information and to whom Hope Lutheran Church has authorized disclosure. Board Members shall use confidential information solely for the purpose of performing services as Board Member for Hope Lutheran Church. This policy is not intended to prevent disclosure where disclosure is required by law.

Board Members must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, etc. shall be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, Board Members shall be sensitive to the risk of inadvertent disclosure. For example, Board Members shall refrain from leaving confidential information on desks or otherwise in plain view and refrain from the use of speaker phones to discuss confidential information if the conversation could be heard by unauthorized persons.

At the end of a Board Member's term in office, he shall return, at the request of Hope Lutheran Church, all documents, papers, and other materials, regardless of medium, which may contain or be derived from confidential information, in his possession.

Approved 08/08/13

15 Prevention of Children and Youth Abuse

Hope Lutheran Church leadership is committed to providing an environment which is safe as possible for children and youth who attend the church or any sponsored programs or activities. Hope Lutheran Church leadership will have formal, written procedures and guidelines to help prevent the opportunity for, or appearance of, abuse to a minor. The procedures and guidelines are not based on a lack of trust of church worker but instead are needed to protect our pre-school students, children, youth, employees, volunteers and the entire church body.

Note: Reference district document ([hyperlink](#))

Approved 08/08/13

16 Meetings and Record Keeping

The Board of Directors recognizes the need for having annual and special called meetings of Hope Lutheran Church congregation and leaders. These meetings allow for the effective communication of information and feedback from the congregation. Therefore, all congregational Voters' meetings, Board of Directors, Staff, and committee meetings at Hope Lutheran Church will be held on a regular basis and their proceedings will be adequately documented for permanent record purposes.

Adopted 10/26/06

Revisions Approved 10/17/2013

17 Attendance Policy

Regular attendance at the monthly meeting of the Board of Directors is required by all Board members. A Board member who is absent for three consecutive meetings may be removed from the Board of Directors. A Board member may petition the Board for an extended absence.

Board members who are not able to attend a called meeting of the board should notify the Chairman at least 24 hours prior to the meeting time. This courtesy is to ensure a quorum of members is present to conduct business.

Adopted 10/26/06
Revisions Approved 10/17/2013

18 Business Decision Process

Hope Lutheran Church has established policies and procedures for the conduct of normal business. These processes allow for full and open discussion in accordance with defined roles and responsibilities at established meetings and/or forums. While this is the preferred method for decision-making, there are times when a decision must be rendered before the next scheduled forum or where additional time was needed to assimilate all relevant data and doing so in the meeting would extend the agenda longer than desired. There are also routine approval actions that do not require additional discussion and are approved out of Board (such as approval of meeting minutes) to afford more efficient use of meeting time. Electronic voting is an allowable process for dealing with these situations.

Adopted 09/28/06
Revisions Approved 10/17/2013

19 Electronic Voting Process

Any member of the Board of Directors or the Pastors may request an electronic vote when waiting for the next scheduled meeting would result in an undesirable delay. The request should be directed to the President of the Congregation and /or the Chairman of the Board of Directors for approval to call an electronic vote. The President or Chairman sends an email with all relevant information on the subject, an explanation of the need for the electronic vote and a due date to all voting members and the Board Secretary. After reviewing all information, each voting member casts his or her vote via a "reply all" email message. A quorum of responses is required for a decision to be rendered. A record of the vote will be kept by the Board of Directors Secretary and documented in the minutes of the next scheduled Board meeting.

Adopted 09/28/06
Revisions Approved 10/17/2013

20 Legal Documents

All legal documents for Hope Lutheran Church will require two signatures. This will consist of one signature from a current officer of the congregation with the second signature being the Corporate Secretary (Senior Pastor). The Senior Pastor, registered agent of the Corporation, will represent Hope Lutheran Church in all legal proceedings.

Adopted 09/26/02
Revisions Approved 10/17/2013

21 Financial Policies & Procedures

21.1 Spending Plan Calendar

The fiscal year for Hope Lutheran Church begins on April 1st and ends March 31st of the following year. A spending plan is developed each year to allow the Business Manager to assist in the administration of the congregation's plans, based on a set of approved priorities.

- A. In October the Business Manager will provide spending plan worksheets containing detailed budgeted cost estimates to the Staff. The Business Manager will be available to each Staff member for assistance with his or her spending plan worksheet.
- B. In November the Staff will submit their spending plan worksheets to the Business Manager. The Business Manager and the Senior Pastor will consider Staff input, fixed expenditures and estimated increases and construct a draft spending plan for the Finance Committee review in November. This draft will include recommendations from the Personnel and Facilities Committees.
- C. Prior to the Board of Directors' Meeting held in January, the Finance Committee will meet to review the Spending Plan recommendations from the Staff, the Facilities Committee and the Personnel Committee. At this time, the Finance Committee will determine the total recommended amount of the Spending Plan.
- D. In January the Finance Committee will present the recommended Spending Plan to the Board of Director's for discussion and adjustment (if required). The Business Manager will make adjustments to the Spending Plan as agreed to by the Board of Directors.
- E. If the Spending Plan is not approved by the Board of Directors during the January meeting for submission to the Voters' Assembly Meeting, the Business Manager will work with the Board of Directors and the Senior Pastor in February to revise and finalize the Spending Plan.
- F. In March the Business Manager and the Treasurer will present the final Spending Plan to a Voters' Assembly for approval of the fiscal year plan.

21.2 Purchasing

- A. All purchases will be made by Staff members or their authorized representatives only as indicated by each year's Spending Plan.
 1. Expenditures equal to or less than \$250

For expenditures equal to or less than \$250, the requester should submit a Financial Approval and Request form to the Business Manager and attach estimated detail or the purchase receipt.

2. Expenditures between \$250 and \$1000

For expenditures greater than \$250 and less than \$1000, the requestor should submit a Financial Approval and Request form and attach estimated detail. The Business Manager must approve and sign the request prior to purchase. The Business Manager will consider all requests based on the approved Spending Plan, current funds available and the priority order for disbursements. The expenditure will not be made if it exceeds the approved Spending Plan or current funds available.

3. Expenditures between \$1000 and \$10,000

- a. For expenditures between \$1000 and \$10,000, the requester should submit a Financial Approval and Request form and attach estimated detail. The form must be signed by the Business Manager and the Senior Pastor for approval prior to purchase. The Business Manager will consider all requests based on the approved Spending Plan, current funds available and the priority order for disbursements. The expenditure will not be made if it exceeds the approved Spending Plan or current funds available.
- b. Salaries, benefits, payroll taxes, debt service or recurring monthly invoices (i.e. utilities, office supplies, etc.) previously approved as part of the Spending Plan do not require approval prior to disbursement.

4. Expenditures in excess of \$10,000

The Board of Directors must be notified of expenditures in excess of \$10,000, in addition to the approval described above. Expenditures above \$25,000 are required to have Board of Directors approval and at least two written estimates. The estimates must be attached to the Financial Request and Approval form and forwarded to the Business Manager and Senior Pastor. The expenditure will not be made if it exceeds the approved Spending Plan or current funds available. Building programs will be addressed separately.

21.3 Building Programs

All expenditures incurred and to be paid in a building program will be authorized by the Chairman of the Building Committee or congregational project manager or their authorized representative. This process executes the program and costs approved by the Voters' Assembly.

21.4 Contingency

Events can result in unexpected expenditures. These expenditures are not included in the Spending Plan. They are regarded as expenditures occurring in addition to those in the Spending Plan.

A. Expenditure is not time critical

The Business Manager is authorized to transfer up to \$10,000 from the Finance Contingency Fund to the Budget account in order to pay bills during a short fall. When this transfer is made, the Business Manager is required to notify the Senior Pastor and the Treasurer. The Treasurer will inform the Board of Directors of the transfer at the next scheduled meeting.

The total of the transfers authorized in a single month may not exceed \$20,000 without the approval of the Board of Directors. If transfers exceeding this amount are required, the Treasurer will call for an electronic vote by the Board of Directors. Each member casts his or her vote by replying to the sender and to all recipients of the email. The typical approval process is then used to evaluate the vote.

B. Expenditure is time critical

A time critical contingency fund expenditure may be approved by a subset of members of the Board of Directors. This subset consists of the members available to take action in the required time. The minimum subset consists of the Senior Pastor and one officer of the Board. An email will be sent to all board members summarizing the purchase and plans for financing prior to the purchase.

C. Repayment of contingency

Transfers from the Finance Contingency Fund are considered short term loans. Funds should be transferred back into the Contingency Fund immediately upon availability.

D. Contingency Fund management

The target balance of the Finance Contingency Fund is 3/12^{ths} of the total priority expenditures of the current year's Spending Plan.

21.5 Disbursements

It is the responsibility of the Treasurer to sign checks for disbursement. The President or Vice President may sign checks in lieu of the Treasurer. Copies of signature cards will be filed in the church office for each fund.

Payment will be made only from properly documented Financial Request and Approval forms. Payment will not be made from statements or verbal requests. Requests submitted without the appropriate documentation will be returned to the requester.

A. Payment of Spending Plan Approved Requests – The order of disbursements is:

1. Debt service
2. Payroll taxes due
3. Payroll of non-minister staff
4. Benefits currently due, including 403(b)
5. Utilities
6. Insurance
7. Pastors' salaries
8. Discretionary items as defined in the Spending Plan
9. District support

B. Restricted Funds

Payment may be requested from restricted funds only for the fund's designated purpose. The Financial Approval and Request form (see the Purchasing Section) will be used to obtain approval from the Business Manager.

Under no circumstances will line items within a restricted fund be over spent without prior approval from the Business Manager.

C. Payroll

1. After the Voters' Assembly in which the Spending Plan is approved, the Business Manager will calculate the biweekly salaries, FICA/Medicare, and withholding, if applicable, based on the most current W-4 on file. The Business Manager will insure that current W-4s are obtained on church staff.
2. The Business Manager will be responsible for MDO/Preschool payroll processing based on the bi-weekly time sheets provided by the director of the MDO/Preschool program.
3. The Business Manager will complete all payroll reports (such as Form 941, Monthly Payroll Deposits, W-2s, W-3s, 1099s, and 1096). These reports will be signed by the Business Manager and forwarded to the appropriate authorities in accordance with designated deadlines.

D. Monitoring

It is the responsibility of the Business Manager to insure that expenses fall within the approved Spending Plan. The Board of Directors will review the financial statements at each monthly Board of Directors' meeting and monitor the Spending Plan. No expenditures which exceed the Spending Plan category will be processed unless approval is obtained from the Board of Directors. No expenditures which exceed total Spending Plan will be processed unless approval is obtained from the Voters' Assembly.

E. Year End Transfer

The Finance Committee will examine account balances prior to the end of the fiscal year to assess unused line items. Available balances may be reallocated within the same spending plan category and accrued for payment in the subsequent fiscal year. Unused balances shall not be applied to personnel salaries. Transfers between spending plan categories will require approval from the Board of Directors.

21.6 Receipts

A. Worship Offerings

At least two people, one of which must be a staff member, shall be present to count each worship service's offering. The person responsible for inputting the contributions into the Shepard Staff database will not be allowed to count if at all possible.

B. Fund Raisers

The Staff must approve all fund-raising requests. The request must include the beneficiary of the project, time frame of the project, and what church facilities and/or equipment are needed. Once the request is approved, at the request of the fund-raising organizers, the Business Manager will set up a separate line item in the Special Fund. Deposits and disbursements will be handled by the Business Manager.

C. Designated Memorials

Memorials may be established for designated purposes. Memorials which alter the current facility, furniture, or fixtures, or require permanent structural change, must first be approved by the Board of Directors.

D. Weddings

All checks paid for weddings must come through the church office. One check for all the wedding fees should be paid 10 days prior to the wedding and made out to Hope Lutheran Church. No checks should be paid directly to the individuals serving in the wedding. The Business Manager will be responsible for calling the wedding party the week before the wedding if the fees have not been paid.

E. Stock

Donated stock will be accepted for use only for the Budget Fund or the Building Fund per contributor's designation. Stock received will be liquidated by the Treasurer, Vice President or President within 30 days of receipt.

F. Miscellaneous

The monies from facility rental, memorials, weddings, etc. are deposited by the Business Manager into the Special Fund. Any cash received in the office will be issued a receipt.

21.7 Financial Reporting

A. Fund Financial Reporting

The Business Manager insures that timely monthly financial statements are provided for the Board of Directors meetings. The Business Manager will communicate to the congregation the financial status of the church on a monthly basis via the bulletin and newsletter.

B. Member Contribution Reporting

The Business Manager insures that quarterly contribution statements are provided to each member of the congregation upon request. Annual contribution statements will be prepared and distributed by January 31 for the prior calendar year.

C. Federal/Synodical Reporting

The Business Manager insures that appropriate federal reporting is completed in a timely fashion. The Business Manager will also work closely with the Office Manager and Senior Pastor to complete the annual 'Parochial Report' to be sent to the Synod.

D. Financial Review

A financial review will be conducted annually by the Finance Committee (excluding the Treasurer). It will consist of at least a cash flow worksheet and analysis of controls based on policies and procedures as written in the Congregation's Treasurer Manual. The review will be completed by the Board of Directors' Meeting held in May, and a written report together with the worksheet used in the financial review will be signed by all financial review committee members and given to the Business Manager, Senior Pastor and Board of Directors. A copy will be filed in the office.

E. Special Project Reporting

The Business Manager shall provide a monthly report of expenditures to the Board of Directors in support of Special Projects (e.g. new building design and construction costs) that the Voters' Assembly has approved.

22 Taxes

22.1 Sales Tax

According to federal guidelines, each "chapter" in a church is allowed two days of tax exemption. We interpret "chapter" to mean organizations such as AAL, Hopefest, Ladies Guild, Youth Group, etc. Normally "chapters" meet regularly and keep minutes of their meetings.

It is the responsibility of each "chapter" to maintain records and report and pay sales taxes due.

22.2 Sales tax exemption forms for purchases are available in the church office.

Adopted by the Board of Directors 09/26/02

Revised 07/22/04

Revised 10/28/04

Revised 01/27/05

23 Conflict of Interest

No church insider (Pastors, church staff, directors, standing or advisory committee member, immediate family member of a church leader, or any other person who is acting on Hope Lutheran Church behalf) shall use his or her position, or knowledge gained there from, in such manner that a conflict between the interest of Hope Lutheran Church and his or her personal interest arises.

The Board of Directors leadership recommends that even the appearance of a possible conflict of interest should be avoided. Conflicts of interest, if not handled appropriately and sensitively, can do lasting damage to Hope Lutheran Church's reputation, credibility, and ability to fulfill its mission. Each church insider has a duty to place the interest of the church foremost in any dealings with Hope Lutheran Church and has a continuing responsibility to comply with the requirements of this policy.

The conduct of personal business between a church insider and Hope Lutheran Church is prohibited. Church insider may not obtain for themselves, their relatives, or their friends, material of any kind, except for reasonable levels of compensation and benefits paid to staff, from their association with Hope Lutheran Church.

24 For Profit Use of Church by Employees

Hope Lutheran Church, as a non-profit organization, must "operate exclusively" for tax-exempt purposes. In addition, the church's resources or earnings must not provide benefit of any private individual--including employees.

Should a staff member be involved in any "for-profit" business, they shall not use church facilities, resources and equipment for that business use. Besides the potential for misunderstanding over

use of time and resources, there are significant and serious tax consequences to both the employee and the church if this policy is not followed.

25 Mailbox Usage

The Hope Lutheran mailboxes are provided to allow regular communication with our members and potential members and to provide a system for our members to communicate with each other in an economical way. Non-members will not be given access to mailboxes.

Usage Guidelines:

- A. Questions regarding placement of materials in the mailboxes should be directed to the Office Staff
- B. Advertising for business is not allowed.
- C. Items placed in the boxes should be sized to allow the member name to remain visible

Adopted 03/20/03

26 Political Guidelines

The following guidelines will govern issues of a political nature at Hope Lutheran Church.

- A. There will be no endorsement of political candidates by the leadership or the staff in a position as spokesperson for Hope.
- B. There will be no public introduction of an individual who is an active candidate.
- C. The church facilities may not be used for individual candidates or single-sided issue rallies. Open forums where both sides are properly represented are acceptable. Staff may disallow the right to such forums where issues are inappropriate for church settings.
- D. The staff may speak to any Biblically-based issue but should not direct members to take or endorse any specific political action
- E. Political or government officials may speak to a church group if they are not doing so as a candidate or political issue proponent.
- F. No access is available to membership names and address or mailboxes by non-member candidates or issue proponents.

Adopted 03/20/03

27 Christian Education

Hope Lutheran Church will provide numerous opportunities for its members and guests to strengthen their knowledge and understanding of the Holy Scripture and the founding principles of the Lutheran doctrine. Although the opportunities for groups to gather and study God's Word exist at various locations and times throughout any given week, Hope Lutheran Church will establish and dedicate at least one hour on Sunday mornings for Christian Education. Age-appropriate Christian Education classes, commonly referred to as Sunday School, will be provided for all members of Hope Lutheran Church, from infancy through adulthood, every Sunday unless cancelled by decision of the Senior Pastor due to conflicts with other church activities.

The Senior Pastor will delegate administration responsibilities for the Sunday School program to various staff members as appropriate. The number and sizes of Sunday School classes will be determined by the assigned staff member in a manner to most efficiently provide a conducive learning environment, based on factors such as class size, available space, and teacher availability. Each assigned staff member is responsible for recruiting and equipping teachers/facilitators to lead the various Sunday School classes. Attendance in each Sunday School class will be recorded and maintained in the church office to provide a tool in planning of future classes.

In addition to the regular Sunday School classes provided on a weekly basis, Hope Lutheran Church will encourage and support its members in sharing the Word of God in other Christian Education opportunities. Such programs may include, but not be limited to, Vacation Bible School, small group ministry, and special topic focus groups.

Approved 09/23/07

Reviewed 02/27/14

28 FACILITIES

28.1 Introduction

All facilities and furnishings of Hope Lutheran Church have been dedicated to further this congregation's vision and its mission to reach out and help people experience a living relationship with Jesus Christ and His church. The policies outlined in the document are intended to be consistent with the above stated vision and mission. Should questions or circumstances requiring a determination of compliance with these policies arise, they shall be taken to the Church Staff for resolution. If the staff is unable to resolve the question or concern, the issue will be escalated to the Board of Directors for a ruling prior to the event/activity in question.

28.2 Housekeeping and Maintenance Program

Routine housekeeping is provided for all facilities. This does not include clean-up for special events. Event sponsors are responsible for ensuring all facilities are clean after usage. Since many groups use these facilities, it is important that clean-up be immediate and complete. Specific instructions may also be provided based on the facilities used and the event scheduled. Failure to do so can result in loss of deposit and the ability to use church facilities in the future.

Groups or individuals are responsible for any damage to church facilities beyond normal wear and tear.

28.3 Safety and Protection

All events conducted on church property or in church facilities must be conducted in a safe manner. Activities found to be unsafe by church staff or any board member will be terminated immediately until safety concerns are addressed.

28.4 Security

All facilities must be secured at the conclusion of scheduled events. Lights and air conditioning/heat should be set to minimize utility costs. All doors should be locked to secure the facility. The individual scheduling the event will be held responsible for security and any losses resulting from the failure to do so.

28.5 General Guidelines

Since the facilities are here to support the ministries of the congregation, these ministries will be given usage priority over other events and groups.

The facilities are available for use by our members and other groups on a non-conflicting basis as long as they are in harmony with the mission of the congregation. Any group in conflict with the church's mission will not be allowed to use the facilities. For profit groups are not allowed to use the facilities.

A fee will be charged to individuals and groups for private use of the facilities.

Children in the facilities must be closely supervised at all times by parents or guardians unless they are in ministry activities with adult supervision.

28.6 Scheduling

Scheduling of all Hope Lutheran events and activities must be submitted to and approved by the Office Manager and entered into the computer so that duplication of space assignments can be avoided.

Staff members are encouraged to plan events well into the future to avoid scheduling difficulties. Scheduling conflicts will be resolved by the responsible staff members in consultation with the Office Manager.

Scheduling of non-Hope events and activities will be authorized by the Office Manager in consultation with program staff as deemed necessary.

28.7 Weddings

All weddings are scheduled through the Senior Pastor or Associate Pastor.

Hope facilities are available for the weddings and wedding receptions of members and non-members. Specific information regarding fees and other details regarding facilities use during weddings is obtained from the pastors.

28.8 Funerals

Requests for the use of the facilities for a funeral should be made through the Senior Pastor or Associate Pastor.

Hope facilities are available for funerals of members. On a non-conflicting basis, the facilities may be used for funerals of non-members.

No facilities usage fee is charged for funerals. Arrangements should be made with the Senior Pastor or Associate Pastor.

28.9 Facilities Set-up

Requests for room setups by the Hope staff must be provided on a maintenance request form at least one week prior to the event. The Office Manager will coordinate with the Volunteer Coordinator and Facilities Manager to arrange for facility setup as appropriate.

Room set up for non-Hope events will be the responsibility of the parties using the facilities.

Room assignments are made by the Office Manager with the intent to eliminate unnecessary movement for equipment and furnishings.

28.10 Facilities Clean-Up

Following an event, all groups using the facilities must straighten the room and place trash in the receptacles.

If food has been served during the event, all trash containers containing discarded food must be secured in trash bags and placed in the dumpster or as otherwise directed.

Tops of tables should be cleaned if food has been served or if glue or sticky substances have been used.

Tables and chairs should be returned to the original setup arrangement or as otherwise directed.

28.11 Smoking

Smoking is not allowed inside any Hope facilities. Cigarettes should be extinguished and properly

discarded away from entrances.

28.12 Alcoholic Beverages

Hope Lutheran Church will not sell or serve alcoholic beverages and will monitor any consumption on the campus. Parties other than Hope Lutheran Church can serve alcohol during events held on campus if they provide Liability Insurance and security, and satisfy the requirements of the Texas Alcoholic Beverage Commission (TABC).

28.13 Illegal Drugs

No illegal drugs are allowed on church property. Anyone under the influence of, or in possession of, illegal drugs will be required to leave the premises.

28.14 Nursery

The nursery is designed to support the ministries of the congregation and is not to be used by any person or group without the specific consent and direction of the Director of Children's Ministry.

28.15 Kitchen

Use of the kitchen must be identified when facilities are scheduled through the Office Manager.

Please follow the rules for use of the kitchen as posted.

28.16 Fee Schedule

A rental fee schedule can be obtained from the Office Manager for functions sponsored by parties other than Hope Lutheran Church.

Exceptions to the listed fees will be determined by the Office Manager or the Business Manager.

28.17 Posters and Signage

Any placement of signs and posters, not on bulletin boards, temporary or permanent, must be approved through the Office Manager or Facilities Manager.

28.18 White Boards and Bulletin Boards

White boards and bulletin boards must be anchored by the maintenance department.

Dry erase markers only should be used on white boards.

White boards must be erased after each use.

Classroom bulletin boards are for teacher use only.

Items to be posted on the central bulletin board must be approved by the Office Manager.

28.19 Room Maintenance

All painting and general repairs will be handled through the maintenance department with approval from the Facilities Manager.

28.20 Key Assignments

The issuance of keys to the facilities is determined by the Office Manager and is limited to members who have an ongoing need for access to specific areas.

Building access for non-key holders should be planned around the times that the building is scheduled to be open.

A key deposit is required for Building rentals.

28.21 Legal Responsibilities

At non-Hope events, the person or group making the reservation is responsible for the conduct and safety of their guests.

The church is not to be held legally responsible for the misconduct of guests at a private event.

Hope is not responsible for any personal property or valuables on the premises.

Liability insurance must be provided by parties other than Hope Lutheran Church renting the Family Life Center for athletic activities.

Adopted 10/20/03

29 Hope Lutheran Church - Health Insurance Plan

A group health plan is available to full time employees of Hope Lutheran Church. Details of the plan and cost to participate are available from the Business Manager.

29.1 Deductible Reimbursement Plan (DRP)

The purpose of this benefit is to reimburse eligible employees for a portion of the deductible related to the employer sponsored health insurance plan. This DRP may change from time to time as the health plan may change.

The DRP is based on a calendar year but is subject to change at the health plan anniversary date. The DRP is as follows:

- A. Eligible employees must be covered by the Hope Lutheran Church (HLC) sponsored health plan.
- B. Qualified expenses are determined as the portion of the medical expense deemed by the carrier to be applied to the deductible as shown on the Explanation of Benefits (EOB) form. The EOB is issued from the health insurance provider.
- C. Proof of the expense for reimbursement is the EOB. The EOB should be submitted to the Business Manager for processing.
- D. Any EOB issued for a previous calendar year must be submitted to the Business Manager within 60 days of the end of the calendar year to be considered eligible for reimbursement from the DRP.

29.2 Premium Reimbursement Plan

Full time employees who opt for health insurance coverage under their spouse's policy may qualify for reimbursement for incremental cost of coverage on the spouse's policy. This benefit is to provide a family the option of having coverage under a single policy. The reimbursement shall be limited to the cost to add the HLC employee to their spouse's existing policy and shall not exceed the cost to cover the employee on the HLC policy. (*See note*). Participation in the Premium Reimbursement Plan requires approval from the Business Manager. Documentation from the spouse's employer will be required to substantiate expense.

Example 1: If the spouse's policy does not include children then the reimbursable amount would be the incremental amount required to add the HLC employee to the policy above the premium for the spouse. (i.e. the difference between employee only and employee plus spouse).

Example 2: If the spouse's policy includes child(ren) the reimbursable amount would be the incremental amount required to add the HLC employee to the policy above the premium for the spouse and child(ren). (i.e. difference between employee plus children and employee plus family.)

If the spouse's policy changes to include children then the reimbursable amount would revert to the incremental amount as described in Example 2.

The reimbursable amount is determined after the spouse has chosen the maximum insurance needed from his employer. (i.e. Cannot add HLC employee first and then add children.)

Example 3: If the spouse's policy requires a flat rate for adding a working spouse then that amount will be the reimbursable amount.

Adopted 06/22/06

Revised 05/29/14

30 PERSONNEL POLICIES

30.1 Introduction

God's will is that all things should be done "decently and in order" (1 Corinthians 14:40) as we conduct the business of "Building a Reaching Community with Christ." For this reason this personnel policy applies to all Hope Lutheran Church employees and supersedes all prior personnel policies. This is not a contract. No verbal or written statement by any representative of Hope Lutheran Church should be construed as a contract. The policies described herein are not conditions of employment and the language is not intended to create a contract of employment between Hope Lutheran Church and its employees.

It is important that employees become familiar with these policies and comply with the standards that have been established. In addition, there may be governmental rules and regulations that will apply to his position. If there are any questions or need for additional information, the employee may talk with his supervisor. If the supervisor is unable to help, then the employee may contact a representative of the Personnel Committee.

It is obviously not possible to anticipate every situation that may arise in the workplace or to provide information that answers every possible question. As a result, Hope Lutheran Church reserves the right to modify, supplement, rescind, or revise any policy, benefit, or provision from time to time, with or without notice, as it deems necessary or appropriate.

30.2 Equal Employment Opportunity

Hope Lutheran Church is committed to equal employment opportunity for all qualified persons, without regard to race, color, ancestry, national origin, sex, marital status, physical disability, mental disability, medical condition, veteran's status, or age, to the extent required by law. This would include providing reasonable accommodations to qualified applicants and employees with known physical or mental disabilities. To deny a qualified person the chance to contribute to the ministries of Hope Lutheran Church because he or she is a member of a minority group is unfair to everyone and is not consistent with Scriptural principles. This applies to all employment practices, including hiring, promotions, training, disciplinary action, termination, and benefits. The church does, however, reserve the right to employ persons who have a denominational background and philosophy of ministry similar to ours and who, in the opinion of the church, have a work history and a life style that is consistent with the Scriptural principles of the church. All employment decisions will be made in compliance with applicable labor laws.

30.3 Employment at Will

Under Texas law, employers have been granted the unilateral right to terminate the employment relationship at any time, with or without cause or advance notice, and the employee may resign at any time. The employment "at will" relationship will remain in effect throughout employment with Hope Lutheran Church for all non-called employees.

The Office of Public Ministry cannot be terminated in a congregation. Moreover, to attempt carelessly or surreptitiously to terminate a call to this office (either be it the congregation or the one who has the call) is to manifest a disregard for the divinity of the call. A call may be terminated for just cause, e.g. unfaithfulness in office, false teaching, or an ungodly life. Processes of adjudication and appeal have been agreed upon by the church. After all this is said, however, it should be noted that the nature of the ministry as a continuation of the apostolate and as a call from God implies that calls are generally not limited in time. (The Ministry, Commission on Theology and Church Relations of the Lutheran Church – Missouri Synod, September 1981).

This employment “at will” relationship may not be modified by any form of oral or implied agreement. No church leader, supervisor or church representative has the authority to alter this relationship, and each employee should never interpret such a person’s remarks as a guarantee of continued employment.

Approved 01/23/04

30.4 Rescind a Call

When a called worker is incapable or unwilling to perform the duties of his call; leads an unrepentant, sinful life; persistently adheres to false doctrine or exhibits malfeasance of responsibility, the call of the worker can be rescinded by a majority of vote of the Voters’ Assembly at a specially called meeting for this stated purpose. The Personnel Committee of the Board of Directors will initiate the investigation and immediately inform the Texas District President, whose counsel will be requested. Once the investigation is complete and reasons substantiated, the Personnel Committee will make recommendation to the Board of Directors for the presentation to the Voters’ Assembly. Upon presentation of evidence to the Board of Directors, the called worker will be offered the opportunity to resign his call. Once the call is rescinded, the worker will vacate the premises.

Approved 05/29/14

31 VACATION AND DAYS OFF POLICIES

31.1 Time Sheets

It is our fervent desire that all employees of Hope Lutheran Church serve the Lord not because they must, but because they are willing (1 Pet. 5:2). Yet in order to best allocate the resources of our church and to comply with federal and state standards of employment, all non-pastoral employees will be required to submit weekly time sheets to the Financial Manager no later than noon on the Monday following the completed work week. Payroll checks will not be processed without completed time sheets. Truthfulness on the part of the employee is expected. Falsification of time sheets can result in disciplinary action, including dismissal.

31.2 Vacation

We offer paid vacation time to regular full-time and regular part-time staff members. We strongly encourage our staff to take available vacation time for rest, relaxation, and personal pursuits. Because we believe that time away from work is beneficial for rest and rejuvenation, we do not allow unused vacation time to be rolled into the next year and we will not allow employees to receive payment in lieu of vacation time.

Vacation time must be taken in units of no less than one-half day. When holidays occur during vacation time, the holiday will not count as vacation. Upon termination the employee will be paid only for any earned unused vacation.

An employee who becomes ill on vacation may charge the illness to sick leave rather than vacation time provided they are eligible for and have earned sick leave and can provide upon request a physician's statement identifying the nature and duration of the illness.

Employees are expected to exercise consideration and good judgment when requesting vacation days from their supervisor. If one requests vacation during a particularly busy time, or at a time when many others have also requested time off, it may be required to postpone their vacation. A leave request form for vacation time should be turned in to their immediate supervisor for approval 10 working days in advance if possible. The approved form will be forwarded to the Financial Manager.

31.3 Pastoral Staff

Pastoral staff members' vacation is determined by the length of service in the ministry and not based upon just the length of full-time service at Hope Lutheran Church. These Staff Members will annually earn vacation as follows:

- If total ministry service is less than 6 months - 0 Days
- If total ministry service is 7 to 12 months - 6 Days
- If total ministry service is 1 Year through 5 Years - 12 Days
- If total ministry service is 6 Years through 10 Years - 18 Days
- If total ministry service is 11 Years through 19 Years - 24 Days
- If total ministry service is 20 Years or more - 30 Days

The determination of the number of the years for pastors to be credited toward length of accumulated service in the ministry prior to being employed by Hope Lutheran Church shall be made at the time of ministerial call and is based upon length of service in the ministry.

31.4 Non-Pastoral Staff:

Length of Employment	Vacation Entitled To
Date of hire to Dec. 31 st	½ day per month

1 st year-5 th year*	10 days
6 th year-10 th year*	15 days
11 th year-19 th year*	20 days
20 th + years*	25 days

*Full calendar years

31.5 Regular Part-Time Employees

Regular part-time employees earn paid vacation days on a pro-rated basis of Non-Pastoral Staff each year. The number of paid vacation days for regular part-time employees is determined by the number of paid hours they are regularly scheduled to work per week.

31.6 Holidays

The following holidays are recognized as paid holidays:

- New Year's Day
- Monday following Easter
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Thanksgiving Day
- Friday following Thanksgiving
- Christmas Day
- Day following Christmas

Regular part-time employees are not eligible for holiday pay.

In the event any of these holidays occur on Saturday, the prior Friday will be considered the holiday. If the holiday falls on Sunday, the following Monday will be considered the holiday.

The church offices and buildings are closed on these days.

31.7 Sick Leave Days/Personal Days

Employees who have completed at least 90 days continuous service will be eligible to participate in the church's sick leave program. This plan provides for both job continuance and pay in the event of an employee absence for certain periods of time for reasons of illness, injury or disability which were not work related. The plan operates as follows:

The employee accrues one-half ($\frac{1}{2}$) day per month sick pay to be used in the following year. Sick pay can be accumulated if unused up to a maximum of 90 consecutive days. Sick pay may not be advanced. Earned unused sick time will not be paid when an employee is terminated or resigns. Falsification of a request for sick leave pay can result in disciplinary action, including dismissal.

Sick leave may be granted for the following reasons:

- A. Personal illness
- B. Injury or medical treatment of the employee or illness
- C. Injury or medical treatment of a member of the immediate family

Immediate family is defined as the employee's spouse, children, mother or father.

In the event of extended illness, accumulated sick pay will be used first. Then, if the employee wishes, any unused vacation may be used. A doctor's certification may be requested for any absences lasting three or more consecutive days, and the church reserves the right to request a doctor's statement at any time.

Earned sick leave may be used for personal leave up to one half of your earned sick leave or a maximum of three days per year with supervisor's approval.

A leave request form for sick pay must be submitted to the supervisor within (3) days after return to work by the employee.

Approved 01/23/04

Revised 08/28/14

32 New Member Orientation

This section is an overview of the policies of the Board of Directors of Hope Lutheran Church. It contains an abbreviated version of the policies for introduction to new members and others. This section also includes an overview of the duties and responsibilities of a board member.

32.1 Functions and Activities

- A. The Board's primary functions are:
1. Shepherd the vision of the congregation
 2. Review, approve and monitor financial objectives, major strategies, and plans of the congregation
 3. Evaluate performance of the Senior Pastor
 4. Provide advice and counsel to the Pastors and Staff
 5. Nominate and recommend to the congregation for election an appropriate slate of qualified candidates for the Board of Directors and Officers
 6. Evaluate Board processes and performance annually
- B. In performing these functions and in exercising their fiduciary duties, the Board of Directors carries out a number of **activities** during the year, such as:
1. Developing and approving a spending plan for submission to the Voters' Assembly. The fiscal year for Hope Lutheran Church begins on April 1st and ends March 31st of the following year.
 2. Adopting policies to conduct church business; including compliance with applicable laws and regulations, and maintenance of accounting, financial, and other controls.
 3. Staff development is reported on at least annually by the Senior Pastor to the Board.
 4. Elect a Chairman of the Board & appoint a Recording Secretary of the Board.
 5. Assign each Board member to one of the standing committees.

32.2 Mode of Operation

Meetings will typically be held on the 4th Thursday of each month. The meeting will typically take place from 7:00 until 9:00 PM. Each board member will receive a calendar indicating the dates on which events will occur during the year. The meetings will be facilitated by the Chairman.

A. Agenda Call

1. Proposed agenda items will be discussed at the end of each meeting for subsequent meetings.
2. The proposed agenda will be sent via email with a meeting reminder a week prior to the meeting for review in advance of the meeting.
3. Agenda topics will have an assigned topic leader.
4. To promote good communication, submit proposed changes to the agenda to the Chairman and copy the entire Board using email "Reply All" function.

B. Meeting Process

1. The Board of Directors operates on behalf of the voting membership and is empowered to conduct the business of the congregation, except for those matters restricted to the Voters' Assembly. Examples of such matters include the Annual Spending Plan or elections to the Board.
2. Meetings are open to all members of the congregation and staff, except for potential confidential or personnel topics such as salary planning.
3. A quorum for the Board of Directors is a majority of the current Board membership plus one.
4. The decision process is guided by Robert's Rules of Order. This provides an opportunity for full and open discussion in accordance with defined roles and responsibilities. Once a decision is made, it is expected that the entire Board, even individuals who opposed the decision, will support the decision.

C. Electronic Voting

1. There are times when a decision must be reached before the next scheduled meeting or where additional time is needed to assimilate all relevant data and doing so in the meeting would extend the meeting longer than desired. Electronic voting is an

allowable process for dealing with these situations. For the purposes of electronic voting, a quorum is the entire Board membership.

2. Any members of the Board of Directors or the Pastors may request an electronic vote when waiting for the next scheduled meeting would result in an undesirable delay.
3. The request for electronic voting should be directed to the President of the Congregation and/or the Chairman of the Board of Directors for approval to call an electronic vote.
4. The President or Chairman will send an email with all relevant information on the subject, an explanation of the need for the electronic vote and a due date to all voting members and the board secretary.
5. After reviewing all information, each voting member casts his or her vote via a "reply all" email message.
6. A majority of Board members is required for a decision to be rendered.
7. A record of the vote will be kept by the Recording Secretary of the Board of Directors and documented in the minutes of the next scheduled board meeting.

D. Attendance Policy

1. Regular attendance at the monthly meeting of the Board of Directors is required by all board members.
2. A board member who is absent for three consecutive meetings may be removed from the board.
3. A board member may petition the board for an extended absence.
4. Board members who are not able to attend a called meeting of the board should notify the Chairman not later than 24 hours prior to the meeting time. This courtesy is to ensure a quorum of members is present to conduct business.

E. Special Meetings

1. Special meetings, in addition to the regular Board meetings, may be called to address specific issues that cannot be effectively addressed during normal business meetings.

32.3 Committees

It is often not efficient or practical for the entire Board of Directors to address all issues in detail. Three standing committees have been established to address specific areas. These committees are made up of Board Members and are led by one of the Officers of the Congregation (President, Vice President, Treasurer). The committees include:

A. Facilities Committee

The primary focus of the Facilities Committee is on maintenance, repair issues, and facility planning

B. Finance Committee

The primary focus of the Finance Committee is on financial accounting, reporting, and fund management

C. Personnel Committee

The primary focus of the Personnel Committee is on church employee policies, position responsibilities, and compensation

These standing Committees will report to the entire Board annually.

As appropriate, the Board of Directors will charter ad-hoc committees or task forces to address specific issues and needs. Some examples include Capital Campaign Committees, Building Committees, etc. These are typically focused efforts with specific timelines, which should be documented in the charter document. These committees, while reporting to the Board of directors, are typically led by church members from outside the Board.

32.4 Standards of Conduct

A board member's principal responsibility is to make sound decisions and provide his or her vision and oversight so that Hope Lutheran Church conducts its business activities in the long-term best interest of the congregation.

- A. This responsibility precludes board members from acting in or considering their own self-interest in the exercise of their judgment on behalf of the congregation.
- B. Board members should be alert and sensitive to possible conflicts of interest.
- C. No information gained as a result of board membership may be discussed with others unless the information has been made generally available to the congregation.
- D. Conflicts of interest, if not handled appropriately and sensitively, can do lasting damage to Hope Lutheran Church's reputation, credibility, and ability to fulfill its mission.
- E. The conduct of personal business between a church member and Hope Lutheran Church is prohibited. Members may not obtain for themselves, their relatives, or their friends,

material of any kind, except for reasonable levels of compensation and benefits paid to the Staff, from their association with Hope Lutheran Church.

32.5 Confidentiality

- A. Board Members shall use confidential information solely for the purpose of performing services as board member for Hope Lutheran Church. This policy is not intended to prevent disclosure where disclosure is required by law.
- B. Board Members must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, etc. shall be limited to matters that do not pertain to information of a sensitive or confidential nature.
- C. At the end of a Board Member's term in office, he shall return, at the request of Hope Lutheran Church, all documents, papers, and other materials, regardless of medium, which may contain or be derived from confidential information, in his possession.

32.6 Personal Commitment of Service

The Board of Directors is the primary decision making body for Hope Lutheran Church and is responsible for the business operation of the church. So, while it is recognized that service on the Board of Directors is on a volunteer basis, membership on the Board requires a personal commitment which includes, but is not limited to:

- A. Regular attendance at meetings
- B. Willingness to accept and complete tasks (in addition to attending meetings)
- C. Ministry event participation
- D. Personal stewardship of financial resources
- E. Regular worship attendance

Approved 05/24/12