

## Chapter 12: BOARD OF DIRECTORS

**C12.01** The voting membership of the Board of Directors shall consist of the full-time pastor(s) and no fewer than 6 members of the Congregation to equate an odd number. Any voting member of the congregation may be elected, subject only to the limitation on the length of continuous service permitted in that office. A member's place on the Board shall be declared vacant if the member a) ceases to be a voting member of this congregation or b) is absent from four successive regular meetings of the Board without cause. Consistent with the bylaws of the state in which this congregation is incorporated, the congregation may adopt procedures for the removal of a member of the Board in other circumstances.

### Bylaw 12.01

- a. Only a voting member of the Congregation shall be eligible for membership on the Church Board. No paid or salaried employee (lay or not under call clergy) of the church, spouse of staff or an associate member, whether member or not, will be eligible for membership on the church Board or to chair any standing team. They may be called upon by the Board for advice and assistance as needed.
- b. The Board of Directors shall be made up of not less than six (6) elected members.
- c. Members shall serve no more than two (2), consecutive three-year terms.
- d. Of the elected Board members, the terms will be staggered.

**C12.02** The members of the Board of Directors (except the pastor(s)) shall be elected by written ballot to serve for three (3) years or until their successors are elected. Such members shall be eligible to serve no more than two full terms consecutively. Their terms shall begin at the close of the annual meeting at which they are elected.

The members of the Board of Directors (except the pastor(s)) shall be elected at a legally called meeting of the Congregation during the month of February. Their term of office shall be for three years with the term of office beginning February 1 to January 31. The fiscal year shall be January 1 to December 31.

### Bylaw 12.02.

- a. Newly elected Board of Directors members shall be installed the Sunday following their election.
- b. At its first meeting after the annual meeting, the church Board shall elect from its own membership a President, Vice President and Secretary who shall be President, Vice President and Secretary of the Congregation, respectively and a Treasurer from the Board or the Congregation Membership. The Treasurer may even be a salaried position.
- c. Duties of officers of the Board shall be determined based on the Congregational needs.
- d. The Board shall meet once per month on a date set by the Board with exception.

**C12.03** Should a member's place on the Board of Directors be declared vacant, the Board of Directors shall elect, by majority vote, a successor until the next annual meeting.

### Bylaw 12.03

- a. If a vacancy occurs on the Audit or Nominating Teams, the Board of Directors shall appoint new members.

**C12.04.** The Board of Directors shall have general oversight of the life and activities of this Congregation, and in particular its worship life, to the end that everything be done in accordance with the Work of God and the faith and practice of the Evangelical Lutheran Church in America. The duties of the Board of Directors shall include the following:

- a. To lead this Congregation in stating its mission, to do long-range planning, to set goals and priorities, and to evaluate its activities in light of its mission and goals.
- b. To seek to involve all members of this Congregation in worship, learning, witness, service and support.

- c. To oversee and provide for the administration of this Congregation to enable it to fulfill its functions and perform its mission.
- d. To maintain supportive relationships with the pastor(s) and staff and help them annually to evaluate the fulfillment of their calling, appointment, or employment.
- e. To be examples individually and corporately of the style of life and ministry expected of all baptized persons.
- f. To promote a Congregational climate of peace and goodwill, and, as differences and conflicts arise, to endeavor to foster mutual understanding.
- g. To arrange for pastoral service during the sickness or absence of the pastor.
- h. To emphasize partnership with the synod and church wide organization of the Evangelical Lutheran Church in America as well as cooperation with other Congregations, both Lutheran and non-Lutheran, subject to established policies of the synod and the Evangelical Lutheran Church in America.
- i. To recommend and encourage the use of program resources produced or approved by the Evangelical Lutheran Church in America.
- j. To seek out and encourage qualified persons to prepare for the ministry of the Gospel.

**Bylaw 12.04.**

- a. The Board shall provide for a ministry description for all staff. Ministry descriptions shall be reviewed and approved annually and as needed, as continuing resolutions.
- b. The Board shall see to it that ministry teams, staff and lay leaders develop the goals and visions annually. Goals and requests shall be presented to the Board in sufficient time to allow for the development of the annual budget. The Board/Congregation goals and budget shall be presented and approved at the February annual meeting.

**C12.05.** The Board of Directors shall be responsible for the financial and property matters of this Congregation.

- a. The Board of Directors shall be the Board of Directors of this Congregation, and as such shall be responsible for maintaining and protecting its property and the management of its business and fiscal affairs. It shall have the powers and be subject to the obligations that pertain to such boards under the laws of the State of Arizona, except as otherwise provided herein.
- b. The Board of Directors shall not have the authority to buy, sell, or encumber real property unless specifically authorized to do so by a meeting of the Congregation.
- c. *The Board of Directors may enter into contracts of up to 3% for items not included in the budget.*
- d. The Board of Directors shall prepare an annual budget for adoption by this Congregation, shall supervise the expenditure of funds in accordance therewith following its adoption, and may incur obligations of more than 10% in excess of the anticipated receipts only after approval by a Congregation Meeting. The budget shall include this Congregation's full-indicated share in support of the wider ministry being carried on in partnership with the synod and church wide organization.
- e. The Board of Directors shall ascertain that the financial affairs of this Congregation are being conducted efficiently, giving particular attention to the prompt payment of all obligations and to the regular forwarding of benevolence monies to the synodical treasurer.
- f. The Board of Directors shall be responsible for this Congregation's investments and its total insurance program.

**Bylaw 12.05.**

**The Board shall at the annual meeting in February, render a report of all insurance and bonds in force as well as an inventory of all property and a statement of assets and liabilities.**

- C12.06. The Board of Directors shall see that the provisions of this constitution (and) its bylaws (and continuing resolutions) are carried out.
- C12.07. The Board of Directors shall provide for an annual review of the membership roster.
- C12.08. The Board of Directors shall be responsible for the appointment and supervision of the salaried lay workers of this Congregation. Nothing in this provision shall be deemed to affect the Congregation's responsibility for the call, terms of call, or termination of call of any employees who are on a roster of this church.

**Bylaw 12.08**

- a. **The Board of Directors shall approve the establishment of salaried lay worker positions.**
- b. **The Ministry Team and the Board of Directors should develop ministry descriptions for these positions.**
- c. **The Senior Pastor and the appropriate Board Member shall be responsible for:**
1. **Hiring**
  2. **Annual work reviews**
  3. **Supervision and release of the lay workers**

- C12.09. The Board of Directors shall submit a comprehensive report to this Congregation at the annual meeting.
- C12.11. The Board of Directors shall normally meet once a month. Special meetings may be called by the pastor or the president, and shall be called at the request of at least one-half of its members. Notice of each special meeting shall be given to all who are entitled to be present.
- C12.12. A quorum for the transaction of business shall consist of a majority (50% plus one vote) of the members of the Board of Directors, including the pastor or interim pastor, except when the pastor or interim pastor requests or consents to be absent and has given prior approval to an agenda for a particular regular or special meeting, which shall be the only business considered at that meeting. Chronic or repeated absence of the pastor or interim pastor who has refused approval of the agenda of a subsequent regular or special meeting shall not preclude action by the Board of Directors, following consultation with the synodical bishop.
- C12.13. The Board of Directors and its committees may hold meetings by remote communication, including electronically and by telephone conference, and, to the extent permitted by state law, notice of all meetings may be provided electronically.

**Chapter 13: CONGREGATION MINISTRY TEAMS**

- C13.01. The officers of this Congregation and the pastor shall constitute the *Executive Team*.
- C13.02. The *Nominating Team* of six voting members of this Congregation, two of whom, if possible, shall be outgoing members of the Board, shall be elected at the annual meeting for a term of one year.

# **PLAN OF OPERATION**

## **ENDOWMENT FUND**

### **LOVE OF CHRIST LUTHERAN CHURCH**

**A. STATEMENT OF PURPOSE/INTENT.** The purpose of this instrument is to define the operational procedures relating to the administration of the LOVE OF CHRIST LUTHERAN CHURCH ENDOWMENT FUND ("FUND"), which was authorized by the congregation at its annual meeting on January 23, 1994, pursuant to new Bylaw 18. The stated intent of such bylaw is to enhance the mission and ministry of the LOVE OF CHRIST LUTHERAN CHURCH ("Church") apart from the general operation of the Church and any special memorial gifts.

**B. ENDOWMENT FUND COMMITTEE.** The FUND shall be administered by an "Endowment Fund Committee" ("COMMITTEE").

**B.1 SELECTION OF COMMITTEE MEMBERSHIP.** There shall be seven (7) COMMITTEE members who are selected from the congregation of LOVE OF CHRIST LUTHERAN CHURCH. Each person serving on the COMMITTEE shall be a member in good standing according to the church records ("qualified member"). Five (5) COMMITTEE members shall be selected by vote of the Church membership at its annual meeting with the other two (2) COMMITTEE members automatically including the SENIOR PASTOR and ONE BOARD MEMBER.

**B.2. TERM OF OFFICE.** The term of each COMMITTEE member shall be two (2) years, except that the congregation shall initially elect all five (5) COMMITTEE members at the same time. At the first meeting of the new COMMITTEE, the members will select two members to serve a one (1) year term. Thereafter, at each annual meeting, the congregation shall elect two (2) COMMITTEE members to fill the positions of those members whose terms have expired and elect a new member to fill the remaining two year term of any member whose position was not expired and whose vacancy was filled by the CHURCH BOARD. No member shall serve more than three (3) consecutive two (2) year terms. After a lapse of one (1) year, former COMMITTEE members may be re-elected.

**B.3. VACANCIES.** In the event of a COMMITTEE vacancy, the CHURCH BOARD shall appoint a qualified member of the congregation to fill such vacancy until the next annual meeting of the congregation.

**B.4. REMOVAL.** In the event any COMMITTEE member is no longer a qualified member or otherwise fails to participate in the operation and administration of the FUND, the Board shall have the absolute authority in its discretion, on a case by case basis, to remove such person from the COMMITTEE.

**B.5. MEETINGS.** The COMMITTEE shall meet at least quarterly, or more frequently as deemed necessary in the best interest of the FUND. A special meeting may be called by at least three (3) members. Proper notice must be given for all meetings as provided below.

## ENDOWMENT FUND PLAN OF DISTRIBUTION

Only interest income will be distributed until the fund principal reaches \$25,000. At which point, all earned income\* gains will be disbursed on the five (5) year following average of where the endowment funds are invested for the following purposes:

Minimum of 20% for: outreach into the community and synod, including, but not limited to, grants to Evangelical Lutheran Churches in America (ELCA) seminaries, colleges, or students attending such schools, social service agencies, institutions and agencies to which this congregation relates, and to programs designed for those persons in our parish area who are in spiritual and/or economic need.

Minimum of 20% for: missions of the Evangelical Lutheran Church in America (ELCA) in this continent and worldwide, including, but not limited to, grants' to the Evangelical Lutheran Church in America for new congregational development in North America, professional leadership, educational ministries, global mission, ecumenism, evangelism, social ministries and capital financing.

Minimum of 20% for: capital improvements, debt reduction, or a building program of LOVE OF CHRIST LUTHERAN CHURCH

Remaining undistributed income to be distributed in the above areas in any proportion as determined by the Committee, or for causes and programs which at the discretion of the Committee are consistent with the fund purpose of enhancing the mission outreach of the church. ***Maximum distribution to each of the above shall be 40% total.***

\* Earned income shall be defined as interest, dividends and realized capital gains.