

Policy Type: Ends

Date Approved: 2015-06-07

Policy Name: Ends

Date Amended: 2021-03-13

Policy Number: E

Date Last Reviewed: 2022-06-21

Holy Cross exists so that people will experience eternal life and growth in Jesus Christ at a cost that demonstrates prudent stewardship of the resources God entrusts to us.

1. Believers connected with Holy Cross find a supportive and uplifting community and grow towards becoming fully devoted disciples of Jesus Christ.
 - 1.1. Our members understand and believe God's Word as Truth; can apply it to life experiences; and can differentiate the Christian worldview from other worldviews and belief systems.
 - 1.2. Our members understand and exercise their God-given abilities and Spirit-empowered gifts.
2. People in surrounding communities who are currently not believers in Jesus Christ connect with Him and the Holy Cross community.
3. People in select communities in the world who are currently not believers in Jesus Christ experience new life in Him.
4. Students of our school are prepared to succeed at subsequent stages in their lives and vocations as disciples of Jesus Christ.
 - 4.1. Students understand and believe God's Word as Truth; can apply it to life experiences; and can articulate the differences between the Christian worldview and other worldviews and belief systems.
 - 4.2. Students are able to meet or exceed proficiency standards at grade level.
 - 4.3. Students can listen actively, think critically, and solve problems logically.

Policy Type: Senior Pastor Limitations

Date Approved: 2015-04-28

Policy Name: Global Senior Pastor Constraint

Date Amended: N/A

Policy Number: SPL

Date Last Reviewed: 2023-02-28

The Senior Pastor shall not cause or allow any practice, activity, decision, or circumstance which is unlawful, imprudent, in violation of the confessional standard in the Constitution, inconsistent with Scriptural imperatives, or in violation of commonly accepted business and professional ethics.

Policy Type: Senior Pastor Limitations

Date Approved:

2015-04-28

Policy Name: Treatment of Staff and Volunteers

Date Amended:

N/A

Policy Number: SPL-1

Date Last Reviewed:

2023-04-25

The Senior Pastor shall not cause or allow working conditions for staff and volunteers that are unfair, disrespectful, disorganized, unclear, or unsafe.

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Allow staff and volunteers to work without up-to-date, enforced, available, written personnel policies that clarify work expectations and protect them against wrongful working conditions.
 - 1.1. Allow staff and volunteers to serve without an effective method to handle grievances.
 - 1.2. Allow staff and volunteers to serve without sufficient protection from harassment.
 - 1.3. Allow staff to serve without effective feedback regarding performance.
 - 1.4. Permit staff and volunteers to serve without knowledge of and assent to a Code of Conduct that clearly delineates rules for expected behavior.
2. Retaliate against any staff member for non-disruptive expression of dissent.
3. Allow staff and volunteers to be unprepared to deal with emergency situations.
4. Take any action regarding staff reserved by the congregation in the Constitution or Bylaws.
5. Use methods of collecting, reviewing, transmitting, or storing information that inadequately protects against improper access to the material.

Policy Type: Senior Pastor Limitations

Date Approved: 2015-04-28

Policy Name: Treatment of People Served

Date Amended: N/A

Policy Number: SPL-2

Date Last Reviewed: 2023-02-28

The Senior Pastor shall not cause or allow conditions, procedures, or decisions related to those served that are unsafe, untimely, disrespectful, or unnecessarily intrusive.

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Elicit information for which no clear necessity exists.
2. Use methods of collecting, reviewing, transmitting, or storing information that inadequately protects against improper access to the material.
3. Operate facilities with inappropriate accessibility and a lack of adequate privacy.
4. Allow people served to have an unclear understanding of what may be expected and what may not be expected from the service offered when a cost is to be incurred by the person served.

Policy Type: Senior Pastor Limitations

Date Approved: 2015-04-28

Policy Name: Treatment of Donors

Date Amended: 2021-02-23

Policy Number: SPL-3

Date Last Reviewed: 2023-02-28

The Senior Pastor shall not cause or allow conditions, procedures, or decisions related to donors that are unsafe, untimely, disrespectful, or unnecessarily intrusive.

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Elicit information for which no clear necessity exists.
2. Use methods of collecting, reviewing, transmitting, or storing information that inadequately protects against improper access to the material.
3. Allow the acknowledgement of donations to be untimely or improper.

Policy Type: Senior Pastor Limitations

Date Approved: 2015-04-28

Policy Name: Planning

Date Amended: 2022-08-30

Policy Number: SPL-4

Date Last Reviewed: 2023-08-29

The Senior Pastor shall not cause or allow planning that deviates materially from the Board's Ends priorities or risks financial jeopardy.

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Allow planning that is undocumented, only short-term, or omits a strategy expected to achieve a reasonable interpretation of the Ends policies.
2. Allow personnel planning that permits the organization to experience more than minimal operational disruption in the event of key personnel changes.
3. Permit the organization to lack personnel who are sufficiently familiar with Board and Senior Pastor issues and who have the capacity to provide Senior Pastor leadership to the organization with reasonable proficiency in the interim in the event of a sudden loss of services from the Senior Pastor.
4. Allow financial planning that provides less for Board prerogatives during the year than is set forth in the Board's Investment in Governance policy.
5. Allow financial planning that risks incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities". [SPL-5]
6. Plan for expenses to exceed projected revenue.
7. Allow financial planning that omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
 - 7.1. Envelope/plate/electronic giving: These estimates shall not be derived from unrealistic assumptions regarding current membership, historical trending, and feasible projections consistent with current economic conditions.
 - 7.2. Tuition/preschool/extended care revenue: These estimates shall not exceed current student population multiplied by actual tuition and fees.

Policy Type: Senior Pastor Limitations	Date Approved:	2015-04-28
Policy Name: Financial Condition and Activities	Date Amended:	N/A
Policy Number: SPL-5	Date Last Reviewed:	2023-10-24

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

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Use designated internal reserves to pay for expenditures.
2. Expend more funds than have been received in the fiscal year to date except for an amount not to exceed the line of credit which must be repaid by the end of the fiscal year.
3. Settle payroll, accounts payables, and debt payments in an untimely manner.
4. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
5. Allow financial transactions that do not provide an audit trail.

Policy Type: Senior Pastor Limitations

Date Approved:

2015-04-28

Policy Name: Asset Protection

Date Amended:

N/A

Policy Number: SPL-6

Date Last Reviewed:

2023-08-29

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

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Permit the organization's property to be insured against theft or damage losses for less than 80% of replacement cost value.
2. Permit the organization, Board members, staff, and volunteers to be inadequately insured for liability losses.
 - 2.1. Allow the organization, Board members, and staff to have inadequate Directors & Officers liability coverage and Employment Practices liability coverage.
3. Unnecessarily expose the organization, the Board, or staff to claims of liability.
4. Allow un-bonded personnel access to material amounts of funds.
5. Allow facilities, grounds, and equipment to be subjected to improper wear and tear or insufficient maintenance.
6. Receive, process, or disburse funds under controls that fail to meet synodical standards.
7. Compromise the independence of the Board's external monitoring.
8. Make any purchase wherein normally prudent protection has not been given against conflict of interest.
9. Make substantial purchases without having obtained comparative prices and quality.
10. Allow investment of operating funds in insecure instruments.
11. Endanger the organization's public image, credibility, or its ability to accomplish the Ends.
12. Change the organization's name or substantially alter its identity in the community.
13. Create or purchase any subsidiary corporation unless a) it does not violate the Constitution or Bylaws, b) no staff member or immediate family member has a conflict of interest; and c) no reasonable chance exists for resultant damage to the reputation or long-term financial condition of this organization.
14. Merge or dissolve the church or school ministry as specified in the Constitution.

Policy Type: Senior Pastor Limitations	Date Approved:	2015-04-28
Policy Name: Compensation and Benefits	Date Amended:	N/A
Policy Number: SPL-7	Date Last Reviewed:	2023-04-25

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

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Change the Senior Pastor's own compensation and benefits, except as benefits are consistent with a package for all other employees.
2. Establish compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

Policy Type: Senior Pastor Limitations	Date Approved:	2015-04-28
Policy Name: Communication and Support to the Board	Date Amended:	N/A
Policy Number: SPL-8	Date Last Reviewed:	2023-04-25

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

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Withhold, impede, or confound information relevant to the Board's informed accomplishment of its job.
 - 1.1. Allow the Board to be without monitoring information a) required by the Board in the Board-Senior Pastor Delegation policy on Monitoring Senior Pastor Performance; b) provided in a timely, accurate and understandable fashion; and c) including his interpretations, his rationale for the interpretation, and evidence of compliance consistent with the Board-Senior Pastor Delegation policies on Delegation to the Senior Pastor and Monitoring Senior Pastor Performance.
 - 1.2. Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Senior Pastor Limitations policy, regardless of the Board's monitoring schedule.
 - 1.3. Allow the Board to be without decision information that assists the Board in making informed decisions, including relevant trends, relevant perspectives of personnel within and outside of the organization, and Board decision implications.
 - 1.4. Allow the Board to be unaware of incidental information it desires including anticipated media coverage, threatened or pending lawsuits, and material internal changes and situations.
 - 1.5. Allow the Board to be unaware that, in the Senior Pastor's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Senior Pastor Delegation, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the Senior Pastor.
 - 1.6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among the three types of information: monitoring, decision preparation, and incidental.
2. Withhold from the Board logistical and clerical assistance.
 - 2.1. Allow the Board to be deprived of pleasant and efficient settings and arrangements for Board and committee meetings.
 - 2.2. Allow Board members to be without access to Board meeting materials at least one week in advance.
3. Impede the Board's unity, misrepresent its processes and role, or impede its lawful obligations.
 - 3.1. Deal with the Board in a way that favors or privileges certain Board members over others except when a) fulfilling individual requests for information or b) responding to officers or committees with respect to duties charged to them by the Board.
 - 3.2. Neglect to provide for the Required Approvals agenda all items delegated to the Senior Pastor, yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
 - 3.3. Hinder access to the Board for any person who alleges unlawful action or circumstance in the organization or by its representatives, without fear of retaliation.

Policy Type: Senior Pastor Limitations	Date Approved:	2015-04-28
Policy Name: Fund-Raising and Endowment Fund	Date Amended:	N/A
Policy Number: SPL-9	Date Last Reviewed:	2023-10-24

The Senior Pastor shall not allow fund-raising activities or the process of disbursing Endowment Funds to risk financial jeopardy, be untimely, impair achievement of the Ends, or violate the purposes and stipulations established by the Endowment Funds Re-Statement of Articles of Association, the Constitution or Bylaws, or any specific documents creating an Endowment Fund.

Without limiting the scope of the statement above by the following policies, the Senior Pastor shall not:

1. Purchase the services of fundraising consultants as specified in the Constitution.
2. Review or accept gifts made to the Endowment Funds per the Endowment Funds Re-Statement of Articles of Association.
3. Manage the investment of Endowment Funds per the Endowment Funds Re-Statement of Articles of Association.
4. Allow the Church Fund and School Fund to experience an imbalance between current spending needs and long term capital growth*.
 - 4.1. Expend in any given fiscal year more than an average of 5% of the trailing quarterly fair market value of the funds commencing annually on December 31st for the prior three years, not to exceed 5.75% of the prior year December 31st value.
5. Allow the Aulick Fund to be depleted.

* The formula for calculating how much could be spent from the Church Fund annually was originally adopted by the PEC on October 18, 2000.

In September 2000, the Permanent Endowment Committee spent considerable time designing an appropriate spending policy for the Holy Cross Endowment Funds. The PEC sought guidance from several professional foundations.

The Concordia Education Foundation spending policy was deemed to be an ideal model for the Holy Cross Endowment Fund.

Similarly, Foellinger Foundation was using a trailing 5-year average of the foundation value when determining the spending percentage. That foundation was not spending more than 5% of this 5-year average, and it will revert to a lower spending level if they are being more conservative.

Additionally, literature in the Philanthropy Digest, the spending policy of the Lutheran Foundation, and the recommendation of then National City Bank suggested that foundations consider developing a "Total Rate of Return Spending" policy. This rationale for such a policy is the following:

- Asset allocation strategy can be rendered unsuccessful by inappropriate spending policy.
- Reliance on "income only" spending can lead to inflation erosion of assets, if income needs are emphasized at expense of asset growth.
- A "total rate of return" policy fosters balance between current spending needs and long term capital growth. It allows for spending from all sources of earnings – income and capital gains, and it also fosters consistent annual spending as a percentage of funds.

The spending policy was modified slightly at the May 26, 2010 PEC meeting.

The annual distribution from this fund shall be the average of 5% of the trailing quarterly fair market value of the funds commencing annually on December 31st for the prior three years. However, it shall not be more than 5.75% of the prior year December 31st value. The PEC revised the formula to use the trailing quarterly values versus strictly looking at the year end balances to take into account a highly volatile market. This approach was recommended by PNC based upon its observation that not-for-profit organizations were applying this approach of using trailing quarterly values.

Policy Type: Governance Process

Date Approved:

2015-04-28

Policy Name: Global Governance Commitment

Date Amended:

2021-02-23

Policy Number: GP

Date Last Reviewed:

2023-02-28

The purpose of the Board of Lay Leaders (the Board), on behalf of the owners – God, members, and those who invest financial, energy and prayer resources in Holy Cross Evangelical Lutheran Church of Fort Wayne, Indiana, Inc. - is to ensure that Holy Cross Evangelical Lutheran Church of Fort Wayne, Indiana, Inc. a) achieves appropriate results for appropriate persons at an appropriate cost (as specified in Ends policies), and b) avoids unacceptable actions and situations (as prohibited in Senior Pastor Limitations policies and certain Governance Process policies).

Policy Type: Governance Process

Date Approved:

2015-04-28

Policy Name: Governing Style

Date Amended:

N/A

Policy Number: GP-1

Date Last Reviewed:

2023-02-28

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

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will initiate policy, not merely react to staff initiatives. The Board will not use the expertise of individual members to substitute for the judgment of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
2. The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
3. The Board will exercise whatever discipline is needed to govern with excellence. Discipline will apply to matters such as its code of conduct, policymaking principles, respect of roles, Board self-assessment, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will scrupulously observe those currently in force.
4. Continual Board development will include annual orientation of Board members in Policy Governance® and the Board's governing process and periodic Board discussion of governance process improvement.
5. The Board will allow no member or committee of the Board to hinder or be an excuse for not fulfilling group obligations.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Board Job Description

Date Amended: 2020-03-03

Policy Number: GP-2

Date Last Reviewed: 2023-02-28

The Board, as an informed agent of the ownership, will ensure appropriate organizational performance. Accordingly, the Board has direct responsibility to create the following job outputs:

1. The link between the ownership and the operational organization.
2. Written governing policies that address the broadest levels of all organizational decisions and situations.
 - 2.1. Ends: What benefits or outcomes for which recipients at what worth.
 - 2.2. Senior Pastor Limitations: Constraints on Senior Pastor authority that establish the prudence and ethics boundaries within which all Senior Pastor activity and decisions must take place.
 - 2.3. Governance Process: Specification of how the Board conceives, carries, and monitors its own task.
 - 2.4. Board-Senior Pastor Delegation: Delegation of power and the monitoring of its proper use, including the Senior Pastor role, authority, and accountability.
3. Assured organizational performance on Ends and Senior Pastor Limitations through systematic monitoring of the Senior Pastor as delineated in its Board-Senior Pastor Delegation policies.
4. Decisions and responsibilities the Constitution and Bylaws or the Endowment Funds Re-Statement of Articles of Association require of the Board or Board Committees.
 - 4.1. Care for the welfare of the Senior Pastor and his immediate family.
 - 4.2. Investigations involving the potential removal of any called minister of religion (ordained or commissioned) or member of the Board.
 - 4.3. Participation on call committees for any minister of religion ordained.
 - 4.4. Review and acceptance of gifts made to the Endowment Funds and the management of such investments.
5. Decisions external organizations require the Board to make directly, even if the Board has delegated such decisions to the Senior Pastor. These decisions will be in the Required Approvals agenda as noted under the Board Planning policy.
6. Operational decisions not reserved by the Congregation in the Constitution or Bylaws that the Board has prohibited the Senior Pastor from making in the Senior Pastor Limitations:
 - 6.1. Decisions regarding the Senior Pastor's compensation and any benefits not consistent with a package for all other employees.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Board Planning

Date Amended: 2022-08-30

Policy Number: GP-3

Date Last Reviewed: 2023-08-29

To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda which a) completes a re-exploration of Ends policies annually and b) continually improves Board performance through Board education, enriched input and deliberation, and assessment.

1. The Board shall control its own agenda through the development of an annual planning cycle that includes all aspects of the Board's job description.
 - 1.1. The Board will complete the Ends policy review and determine the Senior Pastor's compensation for the following fiscal year by the last day of August so that the Senior Pastor can develop a plan based on accomplishing a one year segment of the Board's most recent statement of long-term Ends.
 - 1.2. Prior to the Ends policy review being completed, the Board will gather input from owners using a variety of methods for the purpose of understanding a representative view of owners' values and perspectives regarding who is to receive what organizational benefits at what worth.
 - 1.3. The Board will arrange education related to Ends determination (e.g. presentations by foundations, leadership from other churches, demographers, advocacy groups, staff, leadership from other academic institutions, etc.) by the end of August, to be held throughout the following calendar year.
 - 1.4. The Board will engage in education related to Policy Governance® and the Board's governance process regularly throughout the year.
 - 1.5. The Board will make Endowment Funds decisions and take actions in accordance with the timeframes specified in the Re-Statement of Articles of Association.
 - 1.6. The Board will review every policy at least once a year, making every effort to coordinate policy reviews with the business cycles of the congregation.
 - 1.7. The Board, at each meeting, will conduct a self-assessment of its own compliance with specific Governance Process and Senior Pastor Delegation policies.
 - 1.7.1. As part of the self-assessment, the Board shall use the following questions as guidelines to determine its governance effectiveness: a) When confronted with an issue, were we able to find and understand what we already have said in our policies, even though the issue may be addressed in more than one set of policies? b) Did we properly identify the issue as a Board issue or a staff issue and follow what our policies say accordingly? c) Did we follow our code of conduct?
 - 1.8. The Board will review on a regular basis the welfare of the Senior Pastor.
 - 1.9. Following the Senior Pastor monitoring schedule, the Board will document at each meeting whether the respective monitoring report provided in advance demonstrates compliance with the respective Ends or Senior Pastor Limitations policy as provided in the Board-Senior Pastor Delegation policy entitled Monitoring Senior Pastor performance.

2. Throughout the year as needed, the Board will attend to Required Approvals agenda items as expeditiously as possible. Required Approvals agenda items include decisions the Board has delegated to the Senior Pastor but that an outside authority requires the Board to make. The agenda merits automatic approval unless monitoring data submitted with it reveals the decisions are not consistent with applicable Board policy. Disapproval for any reason other than due to the aforementioned reason or removing any item from the Required Approvals agenda in order to discuss it is unacceptable since such action would constitute inappropriate un-delegating of a decision.
3. A Board member may recommend or request an item for Board discussion by submitting the item to the Chief Governance Officer no later than two weeks before the Board meeting.
 - 3.1. The Chief Governance Officer will determine whether or not to include on the agenda the proposed agenda item by assessing a) whether or not the issue is a Board issue or Senior Pastor issue, b) under what policy category the issue falls, if it is a Board issue, and c) what the Board has already said about the issue in its policies.
 - 3.2. If the Chief Governance Officer leaves the item off the agenda, the Board member may request the entire Board to vote on the inclusion of the item on the agenda. Before voting, the Board will determine whether or not to include on the agenda the proposed agenda item by assessing a) whether or not the issue is a Board issue or Senior Pastor issue, b) under what policy category the issue falls, if it is a Board issue, and c) what the Board has already said about the issue in its policies.

BOARD OF LAY LEADERS ANNUAL AGENDA CYCLE

Board Direction to Itself						Board Direction to Senior Pastor		
MO	Ownership Linkage Plan	Board Education & Environmental Scanning Plan	Senior Leadership Care Plan <i>(Note future plan should reflect just the senior pastor – senior pastor responsible for rest of staff)</i>	Other Governance Process and BLL-SP Delegation Policy Decisions and Actions <i>(Required Approvals added as needed per GP-3.2)</i>	Governance Process and BLL-SP Delegation Policy Review	Monitoring Senior Pastor (Per SPL-4)	Ends Policy Review & Decisions	Senior Pastor Limitations Policy Review
Jan		Orientation		BLL Committee appointments				
Feb	Obtain Ownership Input	Discuss education & environmental scanning plan		Self-Assessment per GP 3.1.7	GP, GP-1, GP-2, GP-6, BSPD, BSPD-1, BSPD-2, BSPD-3	SPL-5, SPL-9		SPL, SPL-2, SPL-3
Apr			Discuss Senior Pastor Care plan	Self-Assessment per GP 3.1.7	GP-4, GP-5, GP-7, GP-7.3, GP-7.4, GP-7.5, GP-7.6	SPL, SPL-2, SPL-3		SPL-1, SPL-7, SPL-8
Jun				2021: Approve PEC options for Endowment Funds Gift Acceptance (GP-8) and Investment Management (GP-9) policies Self-Assessment per GP 3.1.7	GP-8, GP-9	Ends: Global 1,2,3 SPL-8 (direct inspection), SPL-1, 2023: audit with option to extend scope to SPL-6.1, 6.2, 6.3, 6.4, 6.6, 6.10	Finalize Ends policies (Based on ownership linkage plan, environmental scanning, and SP Ends monitoring reports)	SPL-6
Aug	Finalize Ownership Linkage Plan budget	Finalize education & environmental scanning budget	Finalize plan and budget	Even Years: Based on FAC input, finalize budget, SPL-5 and selected items from SPL-6 (external report) Selection of auditor Senior Pastor performance review per BSPD-4.6 and finalization of compensation and benefits specific to SP Self-Assessment per GP 3.1.7	GP-3, GP-7.1, GP-10, GP-11, BSPD-4	SPL-6, SPL-5, End 4		SPL-4
Oct				Self-Assessment per GP 3.1.7	GP-7.2, GP-12, GP-13	SPL-4, SPL-7		SPL-5, SPL-9

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Chief Governance Officer

Date Amended: N/A

Policy Number: GP-4

Date Last Reviewed: 2023-04-25

The Chief Governance Officer (CGO), titled President, ensures the integrity of the Board's process.

1. The assigned result of the President's job is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - 1.1. Meeting discussion content will be on those issues which, according to Board policy, clearly belong to the Board to decide or to monitor.
 - 1.2. Information that is for neither monitoring performance nor Board decisions will be avoided or minimized and always noted as such.
 - 1.3. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
2. The authority of the President consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Senior Pastor Delegation, with the exception of a) Constitution and Bylaws requirements, and b) situations where the Board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions in these policies.
 - 2.1. The President is empowered to chair Board meetings with all the commonly accepted power of that position, such as ruling and recognizing.
 - 2.2. The President has no authority to make decisions about policies created by the Board within Ends and Senior Pastor Limitations policy areas. Therefore, the President has no authority to supervise or direct the Senior Pastor.
 - 2.3. The President may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to the President.
 - 2.4. The President may delegate this authority, but remains accountable for its use.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Board Secretary/Treasurer's Role

Date Amended: 2022-05-05

Policy Number: GP-5

Date Last Reviewed: 2023-04-25

The Board Secretary/Treasurer is an officer of the Board whose purpose is to ensure the integrity and availability of the Board's documents and Voters' Assembly minutes.

1. The Bylaws' assigned result of the Secretary/Treasurer's job is assurance that Board and Voters' Assembly minutes correspond to certain requirements and specified Board and Voters' Assembly documents are provided or available according to certain specifications.
2. The Board's assigned result of the Secretary/Treasurer's job is assurance that all Board documents and filings are accurate and timely.
 - 2.1. Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as Required Approvals agenda decisions, motions to adjourn, and staff or Board member recognitions need not be placed in policy.
 - 2.2. Policies will rigorously follow Policy Governance® principles.
 - 2.3. Bylaws elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the Board.
 - 2.4. Requirements for format, brevity, and accuracy of Board minutes will be known to the Senior Pastor, if a staff recording secretary is used.
3. The authority of the Secretary/Treasurer is access to and control over Board documents and the reasonable use of administrative staff time.
4. The Secretary/Treasurer shall maintain a record summarizing the information required to conduct the formal evaluation of the Senior Pastor as specified in the Monitoring Senior Pastor Performance policy under the Board-Senior Pastor Delegation policies.
 - 4.1. The Secretary/Treasurer shall maintain a record of Board determination of any non-compliance by the Senior Pastor with policies in which direct inspection by the Board is required as the monitoring method.
5. The Secretary/Treasurer shall maintain a record of attendance and notify the President if any member's attendance does not conform to the Board's Code of Conduct.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Board Members' Code of Conduct

Date Amended: N/A

Policy Number: GP-6

Date Last Reviewed: 2023-02-28

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

1. Board members will conduct themselves with integrity, honesty and straightforwardness and speak the truth in love, recognizing they are representing Jesus and not just Holy Cross.
2. Board members must have loyalty to the ownership, un-conflicted by loyalties to staff, other organizations, and any personal interest as a member of the organization.
3. A Board member must discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner reasonably believed to be in the best interests of the organization.
4. Board members will follow the organization's governing documents, including the Constitution and Bylaws, the Endowment Funds Re-Statement of Articles of Association, and the Board's policies.
5. Board members must avoid a conflict of interest with respect to their fiduciary responsibility.
 - 5.1. Board members have a duty to disclose and describe the existence of a financial interest, which is a) an ownership or investment interest in any entity with which the organization has a transaction or arrangement, b) a compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, or c) a potential ownership or investment interest, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement. A financial interest is not de facto a conflict of interest.
 - 5.1.1. After such disclosure of a financial interest and discussion amongst the Board, the affected Board member will leave the meeting while the remaining Board members determine and vote upon whether or not a conflict of interest exists.
 - 5.2. Board members will not engage in self-dealing or conduct private business or personal services with the organization.
 - 5.3. Board members will not seek employment in the organization for themselves, family members or close associates. If a Board member desires employment, he/she must first resign from the Board.
 - 5.4. Each Board member annually must sign a statement which affirms that he/she a) has reviewed this policy, b) has read and understands this policy, c) has agreed to comply with the policy, and d) has provided material details on any potential conflict of interest.
 - 5.5. Any state law governing conflicts of interest applicable to not-for-profit and charitable organizations takes precedence over this policy.
6. Board members may not attempt to exercise individual authority over the organization.
 - 6.1. Board members' interaction with the Senior Pastor or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
 - 6.2. Board members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.

- 6.3. Except for participation in Board deliberation about whether the Senior Pastor has achieved any reasonable interpretation of Board policy, members will not express individual judgments of performance of employees reporting to the Senior Pastor.
7. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
8. Board members will endeavor to gain a working knowledge of Policy Governance® so that they may govern with excellence.
9. Board members will be properly prepared for and will participate in Board deliberation.
10. Board members will support the legitimacy and authority of Board decisions, irrespective of the member's personal position on the issue.
11. Board members will attend Board meetings regularly and punctually. Should it be necessary to miss a meeting, the Board member has the responsibility to let the President know as soon as possible and to remain abreast of meeting proceedings.
 - 11.1. Absence of a Board member from three meetings, including orientation, in a calendar year shall be considered a resignation from the Board. A Board member may request reinstatement, which may be granted by a majority vote of the Board. Only one reinstatement per Board term is permitted.
12. Board members will regularly participate in the worship and educational life of this congregation, seeking opportunities to grow in their faith relationship with God.
13. Board members will invest personal energy and skills as operational volunteers in the mission and ministries of the congregation.
14. Board members shall provide prayer and financial support to the mission and ministry of Holy Cross.
15. Board members are expected to maintain an accessible email account and to be responsive to such communication.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Board Committee Principles

Date Amended: N/A

Policy Number: GP-7

Date Last Reviewed: 2023-04-25

Board committees, when used, will be assigned products and authority so as to reinforce the unity of the Board's job and so as never to interfere with delegation from Board to Senior Pastor, except as specified in the Constitution and Bylaws and Endowment Funds Re-Statement of Articles of Association.

1. Board committees are to help the Board do its job, not to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
2. Board committees may not speak, act, or commit Board funds on behalf of the Board except when formally given such authority for specific and time-limited purposes. The Board will state carefully in policy the expectations and authority of a committee in order not to conflict with authority delegated to the Senior Pastor.
3. Board committees cannot exercise authority over staff. The Senior Pastor works for the full Board and will therefore not be required to obtain approval of a Board committee before an executive action.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a Board committee that has helped the Board create policy on some topic will not be used to monitor organizational performance on that same subject. The Board as a whole has the responsibility and authority to monitor organizational performance.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity. Unless otherwise stated in policy or the Constitution or Bylaws or Endowment Fund Re-Statement of Articles of Association a committee ceases to exist as soon as its task is complete.
6. The principles of this policy, as well as the Board's Code of Conduct, apply to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. Committees formed under the authority of the Senior Pastor are not subject to this provision.
7. The only Board committees are those which are set forth in the lower level sections of this policy.

Policy Type: Governance Process

Date Approved:

2015-04-28

Policy Name: Nominating Committee

Date Amended:

N/A

Policy Number: GP-7.1

Date Last Reviewed:

2023-08-29

The Nominating Committee helps the Board ensure governance excellence by creating a slate of qualified candidates in accordance with the nomination and election provisions in the Bylaws.

1. Product: A properly screened slate of at least one candidate for each available Board position by the time noted in the Bylaws.
 - 1.1. Candidates must be able and willing to adhere to the Board's Code of Conduct policy. Candidates will be provided the Board's Code of Conduct and will be asked to read it and provide written agreement to conform to it.
 - 1.2. Candidates must be able and willing to serve effectively within the Board's Governing Style policy. Accordingly, such candidates will a) be committed to the Ends of the organization, b) tend to think in terms of context and systems versus thinking in terms of isolated and discrete events and decisions, c) have skills to deal with vision, values, and long-term implications and results, d) are willing to share power with others, e) are willing to gather input from a variety of resources to optimize policy development, and f) are willing to delegate significant amounts of decision-making to the Senior Pastor within pre-defined limits. Candidates will be provided the Board's Governing Style and will be asked to read it and provide confirmation of agreement in writing. Candidates also will be asked to rank themselves on each of the above criteria.
2. Authority: The Nominating Committee's authority assists the Board in ensuring governance excellence and in assuring compliance with Bylaws provisions, while not interfering with the Board acting as a whole.
 - 2.1. The committee has authority to contact and screen potential candidates.
 - 2.2. The committee has authority to use a reasonable amount of staff time to accomplish its job.
 - 2.3. The committee has authority to request information from the Senior Pastor required to screen candidates based on the Board's Code of Conduct and the Governing Style policies.
 - 2.4. The committee has authority to spend a reasonable amount of funds to distribute to members the necessary and relevant information regarding the election and the nominees.
3. Composition: The Bylaws specify the composition of this committee.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Executive Committee

Date Amended: 2023-10-24

Policy Number: GP-7.2

Date Last Reviewed: 2023-10-24

The Executive Committee helps the Board ensure compliance with certain oversight provisions in the Bylaws.

1. **Product:** Deliberative and Scripturally-consistent investigation and written report to the Board, of charges for removal of any called minister of religion (ordained or commissioned) in accordance with the Bylaws.
2. **Authority:** The Executive Committee's authority helps assist the Board in assuring compliance with Bylaws provisions, while not interfering with the Board acting as a whole.
 - 2.1. The committee has authority to contact and interview the person(s) making the charge, those allegedly harmed by the alleged actions (subject to legal advice, if applicable), the called minister of religion being investigated, the Board's attorney and members of the attorney's firm, and appropriate representative(s) of the Indiana District of the Lutheran Church-Missouri Synod.
 - 2.2. The committee has authority to use a reasonable amount of staff time to accomplish its job.
 - 2.3. The committee has no authority to spend or encumber funds unless approved by the Board as a whole.
 - 2.4. The committee has no authority to direct the Senior Pastor or any staff member or to make Board decisions.
3. **Composition:** The Committee consists of the elected officers as specified in Article IV of the Bylaws.
4. **Election of Executive Committee**
 - 4.1. The election of new Executive Committee members will happen during the first meeting of the BLL in the new calendar year.
 - 4.2. The existing Executive Committee will retain their offices until a new Executive Committee has been elected.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Elder Committee

Date Amended: 2022-05-05

Policy Number: GP-7.3

Date Last Reviewed: 2023-04-25

The Elder Committee helps the Board a) ensure governance excellence through linkage with owners and assistance in providing appropriate care to operational leadership and b) ensure compliance with certain oversight provisions in the Bylaws.

1. Product: A Board a) informed by owner input regarding Ends decisions, b) caring of its operational leadership, c) involved in the careful and Ends-focused selection of its ministers of religion (ordained) according to Synodical processes, d) committed to Scripturally-consistent practices regarding member acceptance, removal, and re-instatement, and e) committed to a judicious and Scripturally-consistent removal of ministers of religion (ordained or commissioned) and members of the Board.
 - 1.1. An ownership linkage plan that enables the Board to engage in intentional, meaningful, and regular information-gathering from owners, including discussion with owners, primarily about the Ends.
 - 1.1.1. Two-year written ownership linkage plan options provided to the Board, initially by the August meeting, for discussion and decision. The plan will address the proposed tools and timeframe for achieving the following three goals: a) informing owners about the privileges and responsibilities of ownership and the opportunities for engagement, b) informing the owners about the organization's performance regarding Ends, and c) obtaining insight into owners' desires regarding organizational purpose (Ends) and standards of prudence and ethics (Senior Pastor Limitations).
 - 1.1.2. Evaluation of the plan annually by the June meeting, based on Board input.
 - 1.1.3. Revision of the plan annually by the August meeting, based on the evaluation.
 - 1.1.4. Written summary annually by the end of March of the significant insights gained from the ownership regarding the Ends and standards of prudence and ethics issues, arranged in a manner that will assist the Board evaluate its Ends and Senior Pastor Limitations decisions.
 - 1.1.5. Budget estimate for the ownership linkage plan no later than the August meeting to be included in the Board's Cost of Governance policy.
 - 1.2. A care plan that enables the Board to provide care for the welfare of the Senior Pastor, those personnel reporting directly to him, and their immediate families. Non-Board Elders will participate with all Board members in providing that care.
 - 1.2.1. Care plan provided to the Board, initially by the August meeting for discussion and decision.
 - 1.2.2. Evaluation of the plan annually by the June meeting based on Board input.
 - 1.2.3. Revision of the plan annually by the August meeting, based on the evaluation.
 - 1.2.4. Budget estimate for the Senior Leadership Team care plan no later than the August meeting to be included in the Board's Cost of Governance policy.
 - 1.3. Scripturally-consistent acceptance, termination, or restoration of members within the requirements of the Bylaws.
 - 1.4. As needed: Selection process used by Call committees for any minister of religion ordained, including that of the Senior Pastor, that a) focuses on the abilities required to achieve the Ends, b) ensures the candidate for the Divine Call understands and is willing to operate within the Policy Governance® system, and c) ensures the

candidate for the Divine Call understands the role of the Senior Pastor as delineated in the Board-Senior Pastor Delegation policies and the role of staff within the Policy Governance system.

- 1.5. As needed: Deliberative and Scripturally-consistent investigation and written report to the Board, in concert with the Executive Committee, of charges for removal of any called minister of religion (ordained or commissioned), in accordance with the Bylaws.
- 1.6. As needed: Deliberative and Scripturally-consistent investigation and written report to the Board of charges for removal of any Board member, in accordance with the Bylaws.
2. Authority: The Elder Committee's authority helps it assist the Board in ensuring governance excellence according to Scriptural principles and in assuring compliance with Bylaws provisions, while not interfering with the Board acting as a whole.
 - 2.1. The committee has authority to contact and interview the person(s) making one of the Bylaws-permitted charges for removal, those allegedly harmed by the alleged actions (subject to legal advice, if applicable), the called minister of religion or Board member being investigated, the Board's attorney and members of the attorney's firm, and appropriate representative(s) of the Indiana District of the Lutheran Church-Missouri Synod as may be required.
 - 2.2. The committee has authority to use a reasonable amount of staff time to accomplish its job.
 - 2.3. The committee has authority to spend no more funds than what the Board approves for a call process for the Senior Pastor.
3. Composition: Membership and term of office are defined as follows:
 - 3.1. The Elders shall consist of five (5) members established from communicant members of the congregation who have been a member for a minimum of two years.
 - 3.1.1. The President shall appoint an at-large Board member to serve as the chairman of the Elders, subject to the Board's approval.
 - 3.1.1.1. Such person may not also serve as an officer.
 - 3.1.2. The chairman of the Elders shall appoint two (2) members from the congregation, subject to the Board's approval.
 - 3.1.3. The Senior Pastor shall appoint two (2) members from the congregation, who do not serve on the Board, subject to the Board's approval.
 - 3.2. Elders shall meet the qualifications as set forth in the Board's self-governance policies for members of the Board and shall meet the following qualifications:
 - 3.2.1. Regularly participate in the worship and educational life of the congregation,
 - 3.2.2. Relate to other individuals with integrity, honesty and straightforwardness, speaking the truth in love.
 - 3.2.3. Be above reproach, self-controlled, respectable, gentle, and not quarrelsome
 - 3.3. The term of office for the chairman of the Elders shall be concurrent with the President's term.
 - 3.4. The term of office of any other member of the Board serving as an Elder is one year.
 - 3.4.1. Elders that are Board members may serve on the Elders as long as they serve on the Board.
 - 3.5. The term of office for Elders who do not serve on the Board is two years.
 - 3.5.1. Elders who are not Board members shall serve no more than two consecutive terms on the Elders.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Financial Audit Committee

Date Amended: 2022-05-05

Policy Number: GP-7.4

Date Last Reviewed: 2023-04-25

The Financial Audit Committee assists the Board to conduct efficiently its external inspection monitoring responsibility of policies related to the assets and finances of the organization.

1. Product: Transparent and independent evaluation of the organization's financial accounting, reporting, and condition.
 - 1.1. Options for Board consideration regarding the selection of the external entity/person to conduct a financial audit.
 - 1.2. Budget estimate for the financial audit no later than the August meeting to be included in the Board's Cost of Governance policy.
 - 1.3. Specification of the scope of the financial audit, which may include an independent opinion regarding whether the Senior Pastor's interpretations of specified policies were reasonable and whether the data provided by the Senior Pastor to demonstrate compliance with such policies was accurate.
 - 1.4. Evaluation for the Board regarding whether the independent financial audit was completed in a competent manner.
 - 1.5. Report to the Board summarizing the key information obtained from the financial auditor regarding the integrity of the organization's financial accounting and reporting, information regarding the Senior Pastor interpretations and compliance data per the scope of the financial audit, and any other pertinent information shared by the financial auditor.
2. Authority: The Financial Audit Committee's authority enables it to assist the Board conduct effective and efficient external monitoring of the organization's finances, while not interfering with the Board acting as a whole.
 - 2.1. The committee has authority to use a reasonable amount of staff time to accomplish its job.
 - 2.2. The committee has authority to commit up to the Board's budget for the financial audit as noted in the Cost of Governance policy.
 - 2.3. The committee has authority to meet independently with the financial auditor.
 - 2.4. The committee has no authority to change or ignore Board policy.
3. Composition: The Committee shall consist of the Secretary/Treasurer, who will serve as Chair, and two other Board members appointed by the President for a term of one year.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Governance Investment Committee

Date Amended: 2023-04-25

Policy Number: GP-7.5

Date Last Reviewed: 2023-04-25

The Governance Investment Committee assists the Board to improve its abilities to govern effectively using Policy Governance®. The GIC will be established by the Board, as needed.

1. Product: A Board properly informed and educated to govern effectively and governing documents consistent with Policy Governance principles.
 - 1.1. Options for Board consideration and recommendation to the members regarding Constitution and/or Bylaws provisions, especially to ensure consistency with Policy Governance principles.
 - 1.1.1. Options regarding Constitution and/or Bylaws amendments provided to the Board, initially by the end of September 2015, for discussion and decision.
 - 1.2. Advice to the Board regarding proposed policy changes, when requested by the Board.
 - 1.3. Options for Board consideration regarding Board education and environmental scanning designed a) to help the Board learn and practice Policy Governance effectively, including how to properly monitor the Senior Pastor, and b) to provide the Board insight that will inform future Ends decisions regarding benefits provided to specified recipients and the worth, cost, or prioritization of those benefits and recipients.
 - 1.3.1. Board education and environmental scanning plan provided by to the Board, initially by the end of September 2015, for discussion and decision.
 - 1.3.2. Evaluation of the plan annually by June meeting.
 - 1.3.3. Revision of the plan annually by August meeting, based on the evaluation.
 - 1.3.4. Written summary annually by the end of March of the significant insights gained from the environmental scanning regarding the Ends issues, arranged in a manner that will assist the Board evaluate its Ends decisions.
 - 1.4. Budget estimate for the Board education no later than the August meeting to be included in the Board's Cost of Governance policy.
2. Authority: The Committee's authority helps the Board ensure governance excellence, while not interfering with the Board acting as a whole.
 - 2.1. The committee has authority to use a reasonable amount of staff time to accomplish its job.
 - 2.2. The committee has authority to commit organization funds for education and training as provided in the Board's Cost of Governance policy.
 - 2.3. The committee has no authority to change or ignore Board policy.
3. Composition: The Committee's composition shall consist of four Board members appointed for a one-year term by the President. The President shall appoint the Chairperson of the Committee.

Policy Type: Governance Process

Date Approved:

2015-04-28

Policy Name: Permanent Endowment Committee

Date Amended:

2021-04-27

Policy Number: GP-7.6

Date Last Reviewed:

2023-04-25

The Permanent Endowment Committee helps the Board ensure the Endowment Funds are efficiently and effectively managed in accordance with the Endowment Funds Re-Statement of Articles of Association and any other documents governing Endowment Funds.

1. Products: a) A thorough review and acceptance of gifts made to the Endowment Funds, b) the transparent and prudent management of such investments, and c) compliance with reporting and distribution requirements of the Endowment Funds Re-Statement of Articles of Association and any documents forming an Endowment.
 - 1.1. Options for Board consideration regarding the Governance Process policy governing the acceptance of gifts to the Endowment Funds.
 - 1.2. Options for Board consideration regarding the Governance Process policy governing its investment goals and strategy for the Endowment Funds.
 - 1.3. Options for Board consideration regarding the selection of an investment manager/trustee.
 - 1.4. Budget estimate for the Endowment Funds investment management no later than the August meeting to be included in the Board's Cost of Governance policy.
 - 1.5. Options for Board consideration as the Board creates and reviews the Senior Pastor's Limitations policy regarding the distribution of Endowment Funds.
 - 1.6. Comprehensive reports to the Board, Senior Pastor, and congregation per the schedule specified in the Endowment Fund Re-Statement of Articles of Association.
2. Authority: The Permanent Endowment Committee's authority helps it assist the Board in the management of the Endowment Funds according to the documents governing those funds, while not interfering with the Board acting as a whole.
 - 2.1. The committee has authority to discharge its responsibilities delineated in the Endowment Funds Re-Statement of Articles of Association, subject to any and all provisions of the document.
 - 2.2. The committee has authority to use a reasonable amount of staff time to accomplish its job.
 - 2.3. The committee has authority to commit organization funds for investment management as provided in the Board's Cost of Governance policy.
 - 2.4. The committee has authority to meet independently with the investment manager/trustee.
 - 2.5. The committee has no authority to change or ignore any Board policy regarding the Endowment Funds.
3. Composition: The Endowment Funds Re-Statement of Articles of Association specify the composition of this committee.

Policy Type: Governance Process

Date Approved: 2022-06-21

Policy Name: Endowment Funds Gift Acceptance

Date Amended:

Policy Number: GP-8

Date Last Reviewed: 2023-08-29

In order to be accepted, Endowment funds gifts must advance the Ends and not violate the terms of the church's corporate chapter, threaten the church's tax exempt status, or require substantial time and money to establish and administer.

1. A cash gift is acceptable in any form.
2. With respect to other tangible person property, before accepting the gift the Board shall consider the degree to which the gift advances the Ends; the marketability of the property; the restrictions regarding the use, display, or sale of the property; and the amount of carrying costs of the property.
3. Publicly traded securities shall be sold upon receipt if not subject to any applicable securities laws that make such gift acceptance onerous.
4. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted, if a) no restrictions exist that would prevent the Board from ultimately converting those assets to cash, b) the security is marketable, and c) the security will not generate any undesirable tax consequences for the Endowment.
5. Real estate gifts include developed property, undeveloped property, gifts subject to a prior life interest, and remainder interests in property. Before accepting such a gift the Board shall have a qualified external party verify the property has no environmental damage and the Board shall consider a) the degree to which the gift advances the Ends; b) the marketability of the property; c) the presence of any restrictions, reservations, easements, or other limitations; and d) the costs to safeguard if necessary, insure, and cover the expenses (including property taxes) associated with the property.
6. Gifts of oil, gas, and mineral property interests shall be accepted if a) the Board determines the gift has no current or future environmental liability, b) a surface right gift exceeds \$20,000 in value, c) a gift of oil, gas or mineral interest generates at \$3,000 annually in royalties or other income as determined by the average of the three years prior to the gift, d) the gift does not have extended liabilities, and e) a gift of a working interest has a plan to minimize potential liability and tax consequences.
7. With respect to bargain sales, before accepting the gift the Board shall a) have a qualified external party verify the property has no environmental damage, b) ensure that if debt is assumed with the property, the debt ratio is less than 50% of the appraised market value, and c) determine the church either will use the property or that a market exists for its sale within 12 months of receipt. If these conditions are satisfied, the Board shall further consider, a) the property value as substantiated by independent appraisal, and b) the costs to safeguard, insure, and cover the expenses (including the property taxes) associated with the property.
8. The Board shall accept a gift of life insurance if the Endowment is named as both beneficiary and irrevocable owner of the life insurance policy. The gift shall be valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Endowment will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Board may a) continue to pay the premiums, b) convert the policy to paid up insurance, or c) surrender the policy for its current cash value.

9. The Board may offer charitable gift annuities subject to a funding minimum of \$5,000, a minimum age of 55 for life income beneficiaries of a current gift annuity, and a minimum age of 45 for a deferred gift annuity. The Board may establish stipulations as needed regarding the number of life income beneficiaries permitted and the timing of annuity payments. Real estate, tangible personal property or any other illiquid asset can be exchanged only for a deferred gift annuity with annuity payments commencing at least 5 years from the exchange; no such gift can be exchanged for a current charitable gift annuity. Upon termination of any annuity payments, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the appropriate Endowment fund as designated by the donor.
10. A gift of a charitable remainder trust can be accepted as long as the church or Endowment fund is designated as a remainder beneficiary and not appointed as trustee of a charitable lead trust.
11. A gift of a charitable lead trust can be accepted as long as the church or Endowment fund is designated as an income beneficiary and not appointed as trustee.
12. A gift of a retirement plan beneficiary designation shall be accepted and recorded at its present value only when the gift becomes irrevocable.
13. A bequest under a will or trust shall be accepted and recorded at its present value only when the gift becomes irrevocable.
14. A gift of a life insurance beneficiary designation shall be accepted and recorded at its present value only when the gift becomes irrevocable.
15. The Board shall seek the advice of legal counsel anytime it desires but always for a) closely held stock transfers that are subject to restrictions or buy-sell agreements; b) documents naming Holy Cross Lutheran Church as Trustee; c) gifts involving contracts, such as bargain sales or other documents requiring Holy Cross Lutheran Church to assume an obligation; d) transactions with potential conflict of interest that may invoke IRS sanctions; e) gifts of real estate, and f) gifts of oil, gas and mineral interests.

Policy Type: Governance Process

Date Approved: 2022-06-21

Policy Name: Investment Management

Date Amended:

Policy Number: GP-9

Date Last Reviewed: 2023-08-29

The Board shall ensure Endowment funds are managed in a manner that maintains the purchasing power of the funds over time and earns the highest possible rate of return without taking undue risks.

1. The Board shall ensure Endowment funds are managed with the active involvement of well-qualified investment advisors who are independent of any investment fund and do not take title to any assets of withdraw funds other than to cover payment of previously agreed fees or at the Board's specific direction.
2. The Board shall allow the investment manager to alter the asset allocation mix at its discretion, but only within the following asset allocation guidelines, as reported at least semi-annually by the investment advisor to ensure conformance;

	Minimum	Maximum	Target
Equity	50%	70%	60%
Fixed Income	30%	50%	40%
Alternative Investments	0%	15%	0%
Cash Equivalents	0%	10%	0%

3. The Board shall require the investment advisor to provide evidence at least semi-annually that the equity portfolio is prudently invested only in individual common stocks, mutual funds, and exchange-traded funds listed on the New York Stock Exchange, the American Stock Exchange, or NASDAQ and in accordance with the following criteria.
 - 3.1. Individual core stock investment will be limited to public companies with market capitalizations of no less than \$1 billion at the time of purchase while large cap to mid cap mutual funds and exchange-traded funds should generally adhere to this target as well.
 - 3.2. All individual securities must be marketable and shall be payable in U.S. dollars.
 - 3.3. No more than 7% of the equity portfolio, measured at market, may be invested in the stock of any one corporation.
 - 3.4. Measured at market value, not more than 25% of the Endowment's core equity portfolio may be invested in any one sector as defined by the Standard & Poor's 500. However, should the S&P contain a sector that exceeds 25%, the Endowment's core stock portfolio will not exceed 120% of that sector's actual weighting.
 - 3.5. Direct investments will not include options, futures, or derivatives employed in speculative fashion. Neither arbitrage nor leverage will be incorporated in the management of the total portfolio, but may be used in individual alternative strategies, subject to prior Board approval.
 - 3.6. Equity mutual funds and exchange-traded funds may be used to add exposure to equity subclasses such as small cap, mid camp, and international equities. Aggregate exposure of the Endowment to equity sub-classes shall not exceed 45% of the equity portfolio.

4. The Board shall require the investment advisor to provide evidence at least semi-annually that the fixed income portfolio is prudently invested only in individual securities, fixed income mutual funds, and exchange-traded funds and in accordance with the following policies.
 - 4.1. Investments of one year or less may be in federally insured CD's, repurchase agreements, savings accounts, money market funds or U.S. Government and agency securities.
 - 4.2. Direct investments may be in securities of the U.S. Government or its agencies, or in U.S. corporations, or foreign corporations doing business in the U.S. through a domestic affiliate.
 - 4.3. All individual securities must be marketable and must be payable in U.S. dollars.
 - 4.4. All individual securities, at the time of purchase, shall be rated "A-" or better by Standard and Poor's or "A3" or better by Moody's.
 - 4.5. The fixed income portfolio will have an average maturity not exceeding ten years.
 - 4.6. Investments should reflect the tax-exempt status of the Endowment.
 - 4.7. Fixed income mutual funds and exchange-traded funds should generally adhere to the investment restrictions outlined.
5. The Board shall require the investment advisor to provide evidence at least semi-annually that any alternative investments are diversified and prudently invested only in structured notes, limited partnership investment vehicles, mutual funds, exchange-traded funds, commodities/natural resources, real estate investment trusts, private equity, hedge funds, high yield debt, and international fixed income individual securities.
6. The Board shall ensure the investment advisor provides, on a semi-annual basis, actual percentage of returns and annualized time-weighted performance information for the current period and most recent one-year, three-year and five-year periods in comparison with a broad market benchmark comprised of a 60% weighting of the Standard & Poor's 500 Index, and a 40% weighting of the Barclays Intermediate Government/Credit Index.

Policy Type: Governance Process

Date Approved: 2015-04-28

Policy Name: Cost of Governance

Date Amended: 2022-08-30

Policy Number: GP-10

Date Last Reviewed: 2023-08-29

Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity and expend the necessary funds to accomplish its job description.

1. Board skills, methods, and supports will be sufficient to ensure governing with excellence.
 - 1.1. Board members will be screened and nominated based on their ability to conform to the Board's Code of Conduct and the Board's Governing Style as well as attendant skills required to do so.
 - 1.2. Training and retraining will be used liberally to orient new members, as well as to maintain and increase existing Board members' skills and understanding of Policy Governance® and the Board's governance processes.
 - 1.3. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, the audit.
 - 1.4. Outreach mechanisms will be used to ensure the Board's ability to listen to the viewpoints and values of owners regarding Ends issues.
2. Costs of governance will be budgeted by the end of the third quarter and prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

The budget should include:

- Board education
- Ownership linkage plan
- Caring for the Senior Pastor
- External monitoring of organizational performance
- Endowment Funds investment manager
- Senior Pastor call process

Policy Type: Governance Process

Date Approved: 2019-06-25

Policy Name: Special Rules of Order

Date Amended: 2022-08-30

Policy Number: GP-11

Date Last Reviewed: 2023-08-29

Board meetings will be conducted in an orderly, effective process, led and defined by the President.

1. All Bylaw obligations respecting Board meetings must be satisfied.
2. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of quorum.
3. Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
4. Board members must keep their comments relevant to the issue under consideration.
5. Board meetings will be conducted at a level of informality considered appropriate by the President, including that discussion of a matter may occur prior to a proposal that action be taken on any given subject.
6. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
 - 6.1. The President may to the same extent as any Board member, make motions and engage in debate.
 - 6.2. A motion to amend a main motion may be amended but third level amendments are out of order.
 - 6.3. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, and if carried shall set the main motion (the initial proposal) aside accordingly.
7. Board members may speak to a pending motion on as many occasions, and at such length, as the President may reasonably allow.
8. A vote on a motion shall be taken when discussion ends but any Board member may, during the course of debate, move for an immediate vote (close debate) which, if carried, shall end discussion and the vote on the main motion shall then be taken.
9. A majority vote will decide all motions before the Board excepting those matters in the Bylaws which oblige a higher level of approval.
10. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the President.
11. A Board member may request to have his or her vote on the record.
12. When further rules of order are to be developed by the Board, the Board will consider the *most recent edition of Robert's Rules of Order* as a resource guide.

Policy Type: Governance Process

Date Approved:

2019-06-25

Policy Name: Handling Operation Complaints

Date Amended:

N/A

Policy Number: GP-12

Date Last Reviewed:

2023-10-24

To ensure that the Board fulfills its accountability to the ownership, but does not interfere in matters it has delegated to the Senior Pastor, the following process shall be followed in the case of a Board member receiving a complaint regarding an operational matter.

1. The Board member shall ask the person making the complaint whether he or she has already discussed this matter with someone within the operating organization. If the person has not discussed the matter internally, the Board member shall direct the individual to the Senior Pastor or person designated by the Senior Pastor to handle complaints, and the Board member shall take no further action.
2. If the person making the operational complaint has talked with the staff person charged with handling complaints and the concern has not been resolved through that action, the Board member shall explain to the individual that the Board has delegated certain responsibilities to the Senior Pastor, and that the Board holds the Senior Pastor accountable. The Board member shall indicate that he/she will ask the Senior Pastor to ensure that the matter is looked into and that the Senior Pastor or his designee respond directly to the person making the complaint.
3. The Board member shall not offer any evaluative comments or solutions.
4. The Board member shall ask the individual to contact him or her again if the matter has not been addressed within a reasonable time period.
5. The Board member shall inform the Senior Pastor of the complaint and request that it be resolved directly with the person making the complaint by either the Senior Pastor or his designee.

Policy Type: Governance Process

Date Approved: 2019-06-25

Policy Name: Handling Alleged Policy Violations

Date Amended: 2022-10-25

Policy Number: GP-13

Date Last Reviewed: 2023-10-24

The Board as a whole has the responsibility to regularly monitor the performance of the Senior Pastor as outlined in the policies on Board-Senior Pastor Delegation. If there is a reasonable appearance of policy violation, even though a particular policy is not scheduled for monitoring, the Board may choose to request a monitoring report at any time. The Board may also use the occasion of a concern to re-evaluate the adequacy of its policy to address the issue raised.

1. Conditions which may trigger a request for monitoring beyond the normal schedule may include:
 - Board Member has been contacted regarding a complaint by a member of the ownership or someone served. After the Board Member has followed the procedure for handling complaints (See Policy on Handling Complaints), the individual again contacts the Board Member indicating that the complaint still exists, and in the Board Member's opinion the incident appears to be a potential policy violation.
 - One or more Board Members receive complaints or become aware of a pattern of similar instances that taken together raise questions of general policy violation.
 - A single incident of complaint is of a nature that regardless of how it is resolved, there is a serious question of policy violation.
2. If any of the above conditions exist:
 - The Board Member shall inform the President of the situation.
 - If the alleged situation presents a material level of risk to the organization, President shall call a special meeting of the Board as soon as practicable and the Board shall determine if (a) it needs to seek legal counsel, and/or (b) engage an external, qualified, independent third party
 - If the alleged situation does not present a sufficient level of risk for the above process, the President shall request the Senior Pastor to provide to the Board his or her interpretation of the policy, or the relevant parts of the policy, along with rationale for why the interpretation should be considered reasonable.
 - The Board shall determine whether the Senior Pastor's interpretation falls within any reasonable interpretation of the policy, or whether to request an opinion regarding reasonableness from a qualified, external, disinterested third party.
 - The Board shall determine whether to request evidence of compliance with the interpretation from the Senior Pastor or a qualified, external, disinterested third party.
 - The Board as a whole shall determine whether the Senior Pastor's interpretation falls within any reasonable interpretation of the policy.
3. If the Senior Pastor's interpretation is assessed by the Board to be reasonable and there is evidence of compliance with that interpretation, the matter shall be dropped at the Board level. (The Senior Pastor will handle the issue directly with the complainant.)
4. If the Senior Pastor's interpretation is assessed by the board as not being a reasonable interpretation of the policy, or there is a clear violation of a reasonable interpretation, the Board shall determine the degree of seriousness of the issue and deal with the Senior Pastor regarding performance.
5. If the incident(s) in question do(es) not appear to be a potential violation of policy:
 - Board member should consider if he or she believes the policy should be amended to prevent a future occurrence of a similar situation.
 - If the Board member considers that a policy amendment should be made, the Board member should ask the President to put the item on the next agenda.
 - The Board as a whole then shall debate whether or not the policy should be amended, making the reported event explicitly unacceptable in the future.

Policy Type: Board-Senior Pastor Delegation

Date Approved:

2015-04-28

**Policy Name: Global Board-Senior Pastor
Delegation**

Date Amended:

N/A

Policy Number: BSPD

Date Last Reviewed:

2023-02-28

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

Policy Type: Board-Senior Pastor Delegation

Date Approved:

2015-04-28

Policy Name: Unity of Control

Date Amended:

N/A

Policy Number: BSPD-1

Date Last Reviewed:

2023-02-28

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

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the Senior Pastor except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members or committees requesting information or assistance without Board authorization, the Senior Pastor can refuse such requests.

Policy Type: Board-Senior Pastor Delegation

Date Approved:

2015-04-28

Policy Name: Accountability of the Senior Pastor

Date Amended:

N/A

Policy Number: BSPD-2

Date Last Reviewed:

2023-02-28

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

1. The Board will view the Senior Pastor's performance as identical to organizational performance, so that organizational accomplishment of a reasonable interpretation of Ends and compliance with a reasonable interpretation of Senior Pastor Limitations will be viewed as successful performance.
2. The Board will never give instructions to or evaluate, either formally or informally, any paid or volunteer staff other than the Senior Pastor, notwithstanding any Constitution- or Bylaws-mandated requirement.

Policy Type: Board-Senior Pastor Delegation

Date Approved: 2015-04-28

Policy Name: Delegation to the Senior Pastor

Date Amended: N/A

Policy Number: BSPD-3

Date Last Reviewed: 2023-02-28

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

1. The Board will develop policies instructing the Senior Pastor to achieve specified results, for specified recipients at a specified relationship between cost and results. These will be called Ends policies. All issues that are not Ends issues as defined above are Means issues.
2. The Board will develop policies which limit the latitude the Senior Pastor may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that the Board would find unethical or imprudent, and therefore unacceptable, even if they were to be effective. These limiting policies will be called Senior Pastor Limitations policies. The Board will never prescribe organizational means delegated to the Senior Pastor.
3. All policies will be developed systematically from the broadest, most general level to more defined levels.
 - 3.1 Below the global level, a single limitation at any given level does not limit the scope of any foregoing level.
 - 3.2 Below the global level, the aggregate of limitations on any given level may embrace the scope of the foregoing level, but only if justified by the Senior Pastor to the Board's satisfaction.
4. As long as the Senior Pastor uses *any reasonable interpretation* of the Board's Ends and Senior Pastor Limitations policies, the Senior Pastor is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the Senior Pastor shall have full force and authority as if decided by the Board.
5. The Board may change its Ends and Senior Pastor Limitations policies, thereby shifting the boundary between Board and Senior Pastor domains. By doing so, the Board changes the latitude of choice given to the Senior Pastor. But as long as any particular delegation is in place, the Board will respect and support the Senior Pastor's choices. This does not prevent the Board from obtaining information from the Senior Pastor about the delegated areas, except for data protected by privacy legislation.

Policy Type: Board-Senior Pastor Delegation

Date Approved:

2015-04-28

Policy Name: Monitoring Senior Pastor Performance

Date Amended:

N/A

Policy Number: BSPD-4

Date Last Reviewed:

2023-08-29

Systematic and rigorous monitoring of Senior Pastor performance will be solely against the only expected Senior Pastor job outputs: a) organizational accomplishment of any reasonable interpretation of Board-established Ends policies and b) organizational operation within the boundaries of any reasonable interpretation of Board-established Senior Pastor Limitations policies.

1. The purpose of monitoring is simply to determine whether or not expectations expressed in Board policies have been met. Only information which accomplishes this will be considered to be monitoring information.
2. The board will monitor a given policy using one or more of three methods:
 - 2.1. Internal report: Senior Pastor discloses compliance information, along with his explicit interpretation of Board policy, and rationale for the reasonableness of that interpretation.
 - 2.2. External report: An external, disinterested third party who is selected by and reports directly to the Board collects and evaluates compliance information. This third party provides an independent assessment of whether the Senior Pastor's interpretation is reasonable and whether the information collected by the third party indicates compliance with the interpretation.
 - 2.3. Direct Board inspection: The Board as a whole, a designated Board committee, or a designated Board member discovers compliance information. Such an inspection is only undertaken at the instruction of the Board.
3. Regardless of the method of monitoring, the Board will determine a) the reasonableness of the Senior Pastor's interpretation of the Board policy being monitored, always using a "reasonable person" test rather than interpretations favored by Board members, the disinterested third party, or even the Board as a whole, and b) whether the data demonstrate compliance with the interpretation. The Board is the final arbiter of reasonableness. A policy violation occurs whenever the interpretation is not reasonable or the data provided does not show the reasonable interpretation has been accomplished.
 - 3.1. When the Senior Pastor's policy interpretation is reasonable but not favored by the Board, the Board will change or further define the policy to more clearly reflect the Board's values and, in the case of a Senior Pastor Limitation policy, review the policy's soundness as a test of ethical or prudent behavior.
 - 3.2. In the case of a policy violation, the Senior Pastor will develop a plan to address the policy violation and submit to the Board a monitoring report at a time agreed to by the Board. Such a plan will develop an interpretation that is reasonable, provide data that corroborates a reasonable interpretation, and/or make a change in operations to become policy compliant. The Board will monitor the policy violation to ensure it has been corrected within the time allowed.

4. Any policy can be monitored by any of the above methods at any time. For regular monitoring, however, each Ends and Senior Pastor Limitations policy will be classified by the Board according to frequency and method.

<i>Number</i>	<i>Policy</i>	<i>Method</i>	<i>Frequency</i>	<i>Month</i>
E	Global End	Internal Report	Annually	Jun
E-1	Believers Connected with Holy Cross	Internal Report	Annually	Jun
E-2	People in Surrounding Communities	Internal Report	Annually	Jun
E-3	People in Select Communities in the World	Internal Report	Annually	Jun
E-4	School Ministry	Internal Report	Annually	Aug
SPL	Global Senior Pastor Constraint	Internal Report	Annually	Apr
SPL-1	Treatment of Staff and Volunteers	Internal Report	Annually	Jun
SPL-2	Treatment of People Served	Internal Report	Annually	Apr
SPL-3	Treatment of Donors	Internal Report	Annually	Apr
SPL-4	Planning	Internal Report	Annually	Oct
SPL-5	Financial Condition and Activities	Internal Report	Semi-Annually	Feb, Aug
	(Even years financial statements)	External Report	Bi-Annually	Jun (Odd Yrs)
SPL-6	Asset Protection	Internal Report	Annually	Aug
SPL-7	Compensation and Benefits	Internal Report	Annually	Oct
SPL-8	Communication and Support to the Board	Direct Inspection	Annually	Jun
SPL-9	Fund-Raising and Endowment Fund	Internal Report	Annually	Feb

5. A formal evaluation of the Senior Pastor by the Board will occur annually by the end of the third quarter. The formal evaluation will be conducted by summarizing for each monitored policy a) whether or not the monitoring report was accepted by the Board as providing a reasonable interpretation, b) whether or not the data provided shows policy compliance, and c) whether or not policy violations, if they have occurred, have been corrected.
6. The Board will initiate the process to rescind the call of the Senior Pastor if based on a pattern that emerges through this monitoring process that the Senior Pastor is performing below a level required by the Board and does not have the level of competence required to get the organization into compliance, which shall be considered an allegation of evident and protracted incompetence.