

Section 7– Board of Directors

District Bylaws	7-1
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BYLAWS

for

**The Northwest District
of the Lutheran Church-Missouri Synod**

Submitted
by the Board of Directors
to the Commission on Constitutional Matters (CCM)
May, 1999

Suggested Revision Submitted for Approval
by the Board of Directors
to the CCM including their suggested revisions
January, 2000

Final Approval from CCM
March 23, 2000

Spokane District Convention Approval
June, 2000

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1.0 PREAMBLE

The mission of the Northwest District of the Lutheran Church-Missouri Synod grows out of God's merciful mission to a sinful and hurting world. This mission centers in Jesus, the crucified and risen Christ, whose ministry continues among us to bring life and healing to the world today. The Holy Spirit, who creates and sustains the one, holy, catholic and apostolic church of Christ, seeks to guide all that this church does in His name to the glory of God the Father.

Within this fellowship, Christians are called to love each other with the love of Christ and to work together in a trust that is established by His grace. Called by His Spirit into this fellowship, all of God's people are sent back into the world to share the good news of God's redeeming love and grace for all people.

As individual congregations, the body of Christ in our various locales, we recognize that by working together we can assist one another in love and trust to accomplish more effectively this mission and ministry of the whole church. Therefore, we joyfully and freely commit ourselves to the following bylaws and we hold ourselves accountable for the Northwest District of the Lutheran Church-Missouri Synod, a corporate servant structure, whose purpose is to create, challenge, and improve healthy congregations, church workers, and leaders, to expand God's mission and ministry.

Since God's mission and ministry occur primarily through local congregations, the primary emphasis of church structure is to enhance, and not hinder, the local congregation's pursuit of God's mission and ministry.

2.0 ORGANIZATION and MEMBERSHIP

2.1 ORGANIZATION of the DISTRICT

- 2.1.1 The legal name of this organization is the Northwest District of the Lutheran Church-Missouri Synod. This organization is a corporation that exists under the laws of the State of Oregon and is hereinafter referred to as the District.
- 2.1.2 The District was established by the Lutheran Church-Missouri Synod, which is a corporation now existing under the general Not-For-Profit Corporation Act of the State of Missouri, and which is hereinafter referred to as the Synod.

2.2 MEMBERSHIP in the DISTRICT

- 2.2.1 District membership shall consist of those members of the Synod (congregations and professional church workers) who are received, transferred, or assigned into the District.
- 2.2.2 Termination of membership in the Synod terminates membership in the District.

2.3 CONSTITUTION and BYLAWS

- 2.3.1 The Constitution of the Synod shall be the Constitution of the District.
- 2.3.2 The Bylaws of the Synod shall be the Bylaws of the District, where they are directly applicable.
- 2.3.3 The District may adopt any additional bylaws and resolutions it deems necessary for its ministry, provided such bylaws and resolutions do not conflict with the Constitution and Bylaws of the Synod.
- 2.3.4 Amendments to the District Bylaws may be made at a District Convention by a majority vote of delegates present at a regular session, provided there is written notice to congregations concerning the proposed amendment(s) at least 30 days in advance of the convention and provided such amendments are not inconsistent with the Constitution and Bylaws of the Synod or the laws of the State of Oregon.

2.4 GOVERNANCE and STRUCTURE

- 2.4.1 The District Convention, consisting of the District at large through its delegates, shall be the governing body of the District, subject to the Bylaws and Constitution of the District and Synod.
- 2.4.2 The Board of Directors has the authority to administer the activities of the District while the Convention is not in session, subject to the Bylaws, Constitution, and approved convention resolutions of the District and Synod.
- 2.4.3 The District staff conducts the daily management of the District subject to the Bylaws, Constitution, and convention resolutions of the District and Synod, and policy direction from the Board of Directors.

2.5 CIRCUITS

- 2.5.1 The purpose and function of the Circuits are defined in the Synodical Handbook.
- 2.5.2 The Circuit divisions are defined by the Board of Directors, subject to ratification at the next District Convention.
- 2.5.3 Each member congregation of a Circuit is entitled to a notice of and representation at a meeting of its Circuit Forum. Each Circuit Forum shall establish its own organization in accordance with the Synodical Handbook to achieve its objectives and to meet its responsibilities in and to the Circuit, the District and the Synod.

2.5.4 Each Circuit shall elect delegates to Synodical Conventions in accordance with the Synodical Handbook. Delegates may need to be elected for an electoral circuit based on circuit size as required by the Synodical Handbook.

2.6 OFFICIAL CONFERENCES for PROFESSIONAL CHURCH WORKERS

2.6.1 Conferences within the District shall be established by District Convention and conducted for the purpose of inspiration and spiritual and professional growth of professional church workers. Conferences provide a means for ordained and commissioned ministers to relate together on a regular basis.

2.6.2 Official records of all District conferences shall be assembled and maintained in the District Office.

3.0 DISTRICT CONVENTIONS

3.1 CONVENTION PROCESS

3.1.1 The members of the District (congregations and professional church workers) shall hold a regular District Convention in the year preceding the general convention of the Synod, to elect District officers, District Board of Directors, designated committee members as defined in these Bylaws, and to conduct other business necessary and appropriate for the District's mission and ministry.

3.1.2 Each congregation shall be entitled to one lay delegate and one pastoral delegate to a District Convention.

3.1.3 Each voting delegate shall be entitled to one vote per election and must be present to vote.

3.1.4 District Convention delegates shall elect:

- District President
- First Vice-president
- Regional Vice-presidents
- District Secretary
- Circuit Counselors (one from each Circuit)
- Commissioned Minister Member of the Board of Directors
- Four (4) Lay Members of the Board of Directors
- Three (3) members of the District Nominating Committee (one ordained minister, one commissioned minister, and one lay person)
- One (1) member and one (1) alternate to the Committee for Synodical Convention Nominations (Secretary of the Synod shall determine on a six year cyclical basis whether that member will be a professional church worker or a lay person, and the person will be elected according to the plan prescribed by the Synodical Bylaws and directed by the Secretary of the Synod)
- Three (3) members of the Board of Regents of Concordia University, Portland (one ordained minister, one commissioned minister, and one lay person)

3.2 DISTRICT NOMINATING COMMITTEE

- 3.2.1 The committee consists of two ordained ministers who are on the roster of Synod, two commissioned ministers, and two lay persons.
- 3.2.2 The committee nominates candidates for District elected positions, except those positions referenced in Section 3.3.1.
- 3.2.3 Committee members shall serve 6-year terms, with 1 ordained minister, 1 commissioned minister, and 1 lay person elected every 3 years.

3.3 NOMINATIONS for DISTRICT CONVENTIONS

- 3.3.1 The nominations for District President, First Vice-president, and Circuit Counselors shall be made by following the nominating procedures contained in the Synodical Handbook for the Synodical President, First Vice-president, and Circuit Counselors.
- 3.3.2 Each congregation of the District is entitled to nominate two ordained ministers on the roster of Synod for the offices of District President and First Vice-president. The candidates for each office shall be the five receiving the highest number of nominating ballots and who agree to serve if elected.
- 3.3.3 Regional Vice-presidents shall be nominated and elected from each of the following geographical regions: Oregon, Inland Empire, South Idaho, Puget Sound, and Alaska. One Regional Vice-president will represent each geographical region. Each voting congregation in each geographical region is entitled to nominate one ordained minister from their area for the office of Regional Vice-president. The two candidates with the highest number of nominations, and who agree to serve if elected, shall comprise the slate for the Regional Vice-president(s) from each geographical region.
- 3.3.4 The District Secretary shall mail nominating ballots to each voting congregation no later than 8 months prior to the convention.
- 3.3.5 Each nominating ballot shall be signed by an officer of the congregation, and shall be returned to the District Secretary no later than 6 months prior to the opening date of the District Convention.
- 3.3.6 Additional nominations for elective offices may be made from the floor of the convention by any voting delegate, except for the offices of District President and First Vice-president. In order for a floor nomination to be valid, the sponsoring delegate must have prior nominee consent and submit sufficient copies of a brief biographical sketch of the nominee to the District Secretary at the time of nomination.

3.4 ELECTIONS

- 3.4.1 The District President shall appoint an Elections Committee prior to the District Convention, which shall consist of six members as follows: two ordained ministers (including the District Secretary), two commissioned ministers, and two lay persons.
- 3.4.2 The Elections Committee shall make the necessary arrangements for District Convention elections, shall be responsible for the preparation and distribution of ballots, and shall supervise the elections and tabulation of the votes. The committee shall report the official results of each election to the Convention.
- 3.4.3 A majority of all votes cast shall be required for election.
- 3.4.4 The District President, First Vice-President, and Circuit Counselors shall be elected by the convention using the procedures in the Synodical Handbook for the Synodical President, First Vice-president, and Circuit Counselors.
- 3.4.5 After the Regional Vice-Presidents have been elected, another ballot(s) shall be taken to determine their rank.
- 3.4.6 All newly elected officers, Board of Directors, and committee members shall assume their office and duties after they are installed. The outgoing officers, Board of Directors, and committee members shall continue to serve during a reasonable transition time on a special request basis.

3.5 ORGANIZATION AND CONDUCT

The District president is responsible for the organization and conduct of District conventions.

3.6 CONGREGATION ASSESSMENTS

The Congregations of the District shall include in their budgets an assessment for convention general expenses as approved by the Board of Directors.

4.0 BOARD OF DIRECTORS (hereinafter referred to as the Board)

4.1 BOARD POSITIONS

- 4.1.1 The Board consists of 8 ordained ministers, 1 commissioned minister and 8 lay persons. The 8 ordained ministers are the District President, the First Vice-President, the 5 Regional Vice-presidents, and the District Secretary.
- 4.1.2 The Board chairperson is elected at the first Board meeting following the election of new Board members at each District Convention.

- 4.1.3 The District Treasurer is a Board lay person elected by the Board.
- 4.1.4 The District Secretary serves as the Board Secretary.

4.2 BOARD ROLES and RESPONSIBILITIES

- 4.2.1 The Board has all of the powers and duties, which have been accorded by the laws of the State of Oregon, Articles of Incorporation, Synodical Constitution and Bylaws, District Bylaws, and Convention resolutions.
- 4.2.2 The purpose of the Board is to govern the District to assure it achieves appropriate results for members of the District at an appropriate cost. The Board is to rigorously perform its leadership role to continue to improve its capability as a body to define values and vision for the District in service to the Lord.
- 4.2.3 The Board holds the District President accountable for the execution, implementation and reporting of plans, programs, and budgets consistent with the vision, mission, policies and priorities established by and for the District.
- 4.2.4 Nine members of the Board constitute a quorum.
- 4.2.5 A simple majority vote of the participating members of the Board determines a decision of the Board.
- 4.2.6 The Board is authorized to make revisions to these bylaws, subject to ratification at the next District Convention.
- 4.2.7 The Board on behalf of the District shall indemnify all persons who serve at any time as an elected officer of the District, and their respective heirs, administrators, successors, and assigns, against any and all expenses. The indemnification shall include amounts paid as a result of judgments, counsel fees, and settlements. The paid amounts may include amounts paid in connection with the defense or settlement of any claim, action, suit or proceeding in which they are made a party, or which may be asserted against them, by reason of being or having been an elected officer of the District. There will be no indemnification for matters in which any elected or formerly elected officer shall be adjudged in any action, suit, or proceeding to be liable for their own negligence or misconduct in the performance of their duty. This indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, agreement, or vote of the Board.

4.3 BOARD TERMS OF OFFICE

4.3.1 Ordained ministers and commissioned ministers shall serve 3-year terms.

4.3.2 Lay persons shall serve 6-year terms.

4.4 BOARD MEETINGS

4.4.1 The Board shall meet at least 4 times each calendar year.

4.4.2 Special Board meetings or other functions needing the Board members attendance may be scheduled on an as needed basis by the Board Chairperson or at least 5 other Board members.

4.5 VACANCY

4.5.1 The Board shall appoint a successor to hold a vacant position for the unexpired term for any elected District position, except the President.

4.5.2 If the office of District President becomes vacant, then the Board shall fill the vacancy by extending a call to the First Vice-president. If this call is declined, then the Board shall call the remaining Vice-presidents in the order of their ranking. Vice-presidents may serve in a part-time basis until the next Convention.

5.0 DISTRICT OFFICERS AND DISTRICT PRESIDIUUM

5.1 OFFICERS. The District officers shall consist of the President, First Vice-president, Regional Vice-presidents, the District Secretary, and a Circuit Counselor for each Circuit.

5.2 PRESIDIUUM. The District Presidium shall consist of the President, First Vice-president, and Regional Vice-presidents.

5.3 DISTRICT PRESIDENT RESPONSIBILITES

5.3.1 The President shall be the chief executive officer of the District and a voting member of the Board.

5.3.2 The President shall not serve as the chairperson of the Board.

5.3.3 The President shall perform the duties of a District president under the Constitution and Bylaws of the Synod.

5.3.4 The President shall make appointments of persons to serve as members of ad hoc working groups on an as needed basis.

5.4 DISTRICT VICE-PRESIDENT RESPONSIBILITIES

- 5.4.1 When requested each vice-president shall be available for consultation, problem solving, and ministering with the District President concerning District matters, including coordinating and assisting Circuit Counselors.
- 5.4.2 The Vice-presidents shall be voting members of the Board of Directors.

5.5 DISTRICT SECRETARY RESPONSIBILITIES

- 5.5.1 The Secretary shall be an ordained minister on the roster of Synod and can not be a member of the full-time, salaried executive staff of the District.
- 5.5.2 The Secretary shall serve as Corporate Secretary of the District and as Secretary of the Board.

5.6 CORPORATE OFFICERS

- 5.6.1 The Corporate officers of the District shall be the President, First Vice-president, Secretary, and District Staff Business Manager.
- 5.6.2 The Corporate officers shall be empowered to sign all legal documents in the name of the District.

5.7 FISCAL RESPONSIBILITIES

- 5.7.1 The District President is responsible for the administration of all District funds, including establishing District policies and procedures as necessary for the efficient and effective control and administration of funds.
- 5.7.2 The District President will routinely report financial data to the Board, as requested.
- 5.7.3 The District President will submit all District financial records at least annually to a licensed auditing firm and publish the audit results as deemed necessary.
- 5.7.4 The Board, through the Board Treasurer, is responsible for oversight. The Board will insure the audit is accomplished, the results are evaluated, and the results are satisfactory.
- 5.7.5 Any District member may request a copy of the audit report or review it at the District Office.

6.0 AD HOC WORKING GROUPS

- 6.1 Ad hoc working groups may be formed for specific purposes at the direction of the District President and/or the Board of Directors. Working groups will function under the direction of the person or group that appointed them, and may be comprised of members from throughout the District.
- 6.2 The following functions, which are listed in the Synodical Handbook, will be provided by ad hoc working groups, or otherwise be provided by District structure:
- Adjudication
 - Church Extension
 - Communications
 - Congregational Constitutions
 - Congregational Services
 - Human Care Ministries
 - Missions, and
 - Stewardship and Financial Support
- 6.3 Working groups will normally be chartered with a specific purpose or task, and include specific terms of completion.

7.0 CONFLICT RESOLUTION

- 7.1 The District President and/or the Board will be guided by the Synod Handbook, Section VIII, Synodical Dispute Resolution, in its handling of conflicts, disputes, disagreements, and/or offenses.

(Revised 12-2008)

BOARD GOVERNANCE POLICIES

SECTION 1

END STATEMENT

- 1.0 The mission of the Northwest District is that more people are disciples of Jesus, in communion with God and with one another, in the Northwest District than the previous year. Matthew 28:19-20; Eph. 1:9-10
 - 1.0.1 Lay leaders and professional church workers are well-equipped, supported, encouraged, and impelled in their congregation's ministry of reaching lost souls.
 - 1.0.2 LCMS congregations as part of the whole Christian church on earth work with congregations of various Christian bodies to reach the lost.
 - 1.0.3 School Teachers and Administrators are well-equipped, supported, encouraged, and impelled in their churches and communities.
 - 1.0.4 Defenseless, weak and hurting people, individually and corporately, are cared for and defended as an integral part of our Gospel proclamation.

SECTION 2

BOARD OF DIRECTORS' SELF-GOVERNANCE POLICIES

2.0 PURPOSE

The Board of Directors will govern the Northwest District in a manner that assures the accountability of the District in achieving appropriate results at appropriate costs by rigorously attending to its leadership role and improving its capability as a board to define vision, values, and empowerment in the service of our Lord.

2.1 POWERS, DUTIES, AND JOB DESCRIPTION

The Board of Directors is to serve the Northwest District in its trusteeship role of representing the congregations of the District.

2.1.1 The Board shall have the powers and duties which have been accorded to it by the laws of the State of Oregon; the Articles of Incorporation of the District; the Constitution, Bylaws, and resolutions of the Synod and District; and Board Policies.

2.1.2 The Board shall be vested with the oversight of the District's business and legal affairs.

2.1.3 The Board's outputs/products shall be:

2.1.3.1 Linkage between the District and the congregations

2.1.3.2 Written governing policies that at the broadest levels address each policy category:

2.1.3.2.1 Ends: organizational products, effects, benefits, outcomes, recipients and their cost or relative worth.

2.1.3.2.2 Self-Governance Process: specification of how the Board conceives, carries out and monitors its own task.

2.1.3.2.3 Board-Staff Linkage: the delegation of power and how to monitor its use; authority and accountability of the District President's role.

2.1.3.2.4 Executive Limitations: constraints on executive authority that establish the prudent, ethical and legal boundaries within which administrative and financial activities and decisions must take place.

2.1.3.3 Assurance of Chief Executive Office performance.

2.2 PRINCIPLES OF OPERATION

The Board will govern in a manner which emphasizes:

- Outward vision rather than an internal preoccupation
- Prudent leadership more than administrative detail
- A clear distinction of Board and staff roles
- Future orientation rather than past or present and
- Proactivity rather than reactivity

2.2.1 The Board will:

2.2.1.1 Govern with a vision, focusing on long-term results.

2.2.1.2 Govern with an encouragement of diversity, but speak with a singular voice and commitment. No individual member of the Board may exercise authority except as delegated by the Board.

2.2.1.3 Discipline itself to govern in such matters as attendance, preparation, conduct, respect of roles, and general support of Board decisions and actions.

2.2.1.4 Be responsible for excellence in governing.

2.2.1.5 Direct and encourage the District as an organization through careful establishment of policies written by the Board.

2.2.1.6 Be an initiator of policy, not merely a reactor to staff initiatives.

2.2.1.7 Regularly monitor and discuss the Board's process and performance.

2.2.1.7.1 Monitoring will measure the activities of the Board against Self-Governance and Board-Staff Linkage policies.

2.2.1.7.2 Not less than annually evaluate the Board's effectiveness in carrying out its responsibilities and in reviewing, developing, and administering the Board's policies.

2.2.1.8 Ensure continuity of its governance capability by orientation of new members in the Board's governance policies and process.

2.3 BOARD OF DIRECTORS' ADMINISTRATIVE GUIDELINES

2.3.1 Quorum: At least 50 percent of the members of the Board shall constitute a quorum at any meeting of the Board.

2.3.2 Requests for Action: The Board may consider requests unless they are the responsibility of the District Staff or other agencies.

- 2.3.3 Meetings: The Board shall meet at least four (4) times per year. Special meetings and/or other functions needing the Board's attendance may be scheduled on an as-needed basis.
- 2.3.4 Policy and Action Review: Any member of the Board may ask the Board to call up for review policies or past actions of the Board, or other actions or activities which may be appropriate for a Board-level review.
- 2.3.5 Vacancy: In the event of a vacancy on the Board, the Board shall appoint a successor to hold office for the unexpired term of the member whose position has become vacant.
- 2.3.6 Decisions: The Board will make decisions through consensus. However, the Chairman and/or a majority of the Board may call for a vote.
- 2.3.7 If the office of District President becomes vacant (Northwest District Bylaw 4.5.2) the District Board of Directors shall proceed with the filling of the vacancy. During the process, the District Vice-President of the Oregon region will serve the needs of the District on a day-to-day basis until the Board extends a Call to the appropriate Vice President.

2.4 BOARD OF DIRECTORS' MEMBER RESPONSIBILITIES

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.

- 2.4.1 Board members will attend scheduled meetings, retreats, and other special meetings. A member who misses 75 percent of all Board meetings within a twelve month period will be deemed to have resigned. A member may request reinstatement.
- 2.4.2 Board members will:
 - 2.4.2.1 Notify the Board Chair if unable to attend a meeting.
 - 2.4.2.2 Prepare in advance for meetings in order to participate productively in discussion and decisions.
 - 2.4.2.3 Serve on ad hoc committees or other special assignments, as requested by the Board.
 - 2.4.2.4 Follow and support decisions and actions once they have been discussed and resolved by the Board.
 - 2.4.2.5 Honor confidentiality of all Board discussion, issues, or other information of a sensitive nature.
 - 2.4.2.6 Disclose conflicts of interest in accordance with District Bylaws, Board Policies, and/or ethical standards using an initial and annually signed conflict of interest statement (see Synod Bylaw 1.5.12.2.) When a member has a conflict of interest, that member shall abstain and not comment, vote, or deliberate on that issue.
 - 2.4.2.7 Not use their position to obtain employment as District staff for themselves, family members or close associates. Should a member desire employment, he/she must first resign.
 - 2.4.2.8 Use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values.

2.5 BOARD OF DIRECTORS' OFFICERS AND RESPONSIBILITIES

Officers of the Board of Directors shall consist of a Chair, a Secretary, and a Treasurer.

- 2.5.1 Officers shall not assume any part of the management or governing authority of the District, including District staff and Board members, except as instructed by the Board.
- 2.5.2 The chair and treasurer shall be elected for the triennium from the Board membership. The District President shall not serve as chair due to his responsibilities as the Chief Executive Officer of the District.
- 2.5.3 The Chair shall:
 - 2.5.3.1 Establish the time, place, and agenda for meetings, and distribute this information to members in advance of Board meetings.
 - 2.5.3.2 Preside at meetings or arrange in advance for another Board member to fulfill the appropriate Chair responsibilities, as necessary.
 - 2.5.3.3 Assure the integrity of the Board's process and when needed represent the Board.
 - 2.5.3.4 Discuss with Board members any violations of their responsibilities and possible corrective actions. If resolution cannot be obtained working with the affected individual, the entire Board shall review the violation and determine the appropriate action(s).
 - 2.5.3.5 Call special Board meetings. Special Board meetings may also be called by a simple majority of Board members.
 - 2.5.3.6 Notify Board members if a limitation of Board policy is violated, or potentially violated, and initiate appropriate action.
 - 2.5.3.7 Ensure new Board members receive adequate training and orientation to the Board to help them become effective and active members as quickly as possible.
- 2.5.4 The Secretary shall:
 - 2.5.4.1 Record and distribute the minutes of Board meetings within two (2) weeks to members. Upon approval of the minutes, distribute the official minutes to other individuals/organizations as directed by the Board.
 - 2.5.4.2 Preserve regular and special reports made to the Board and make summaries or copies available to Board members, as requested.
 - 2.5.4.3 Assist the Board Chair in communicating Board actions, as requested.
 - 2.5.4.4 Attest formally to the legitimacy of Board documents.
 - 2.5.4.5 Ensure the integrity of Board Documents.
- 2.5.5 The Treasurer shall:
 - 2.5.5.1 Provide financial oversight.
 - 2.5.5.2 Provide counsel to the District President and Business Manager.

2.5.5.3 Provide analysis and commentary on the annual audit.

2.6 BOARD OF DIRECTORS' EXTERNAL HELP GUIDELINES

The Board may, as needed, establish committees and task forces, or request assistance from individuals to help carry out its responsibilities. These individuals or groups will be established to assist in carrying out Board functions and responsibilities, never conflicting with what the Board has delegated to the District President.

- 2.6.1 These groups or individuals will normally be used sparingly and ordinarily in an ad hoc capacity.
- 2.6.2 Expectations and authority shall be carefully communicated to each group and/or individual in order to avoid confusion and potential conflict with Board policies.
- 2.6.3 A group and/or individual, who has helped the Board create policy on a specific topic, will not normally be used to monitor organizational performance on that same topic, except under extraordinary circumstances and with Board approval.

2.7 BOARD OF DIRECTORS' MINISTRY PARTNER GUIDELINES

The Board of Directors is a partner in ministry with various entities in the Northwest District. The Board may request information, reports and meetings with ministry partners to serve the District more effectively.

Ministry Partners are defined as:

- 2.7.1 Primary Ministry Partners: District Staff personnel, District committees, task forces, and volunteers who serve the District.
- 2.7.2 Special Ministry Partners: organizations which independently fulfill certain mission and service purposes in common with the District. These include Lutheran Women's Missionary League and the International Lutheran Laymen's League, and other church service organizations.

2.8 ANNUAL BOARD PLANNING CYCLE

- 2.8.1 In its diligence to accomplish its stated outputs consistent with its policies, the Board will follow an annual schedule which (a) assures a review of all its policies, especially a more critical review of its ends policies; and (b) seeks to improve board performance through regular offerings of board education that enhance the Board's ability to provide strategic leadership for the District.

January or February Meeting

- 2.8.1.1 Board Education: Vision – Purpose – Mission
- 2.8.1.2 Review Ends Policies

April or May Meeting

- 2.8.1.3 Board Education
- 2.8.1.4 Review Board Self-Governance Policies & Board Performance
- 2.8.1.5 Review Audit with the auditor

August or September Meeting

- 2.8.1.6 Board Education
- 2.8.1.7 Election of Chair and Board Treasurer (on District Convention year)
- 2.8.1.8 Review of Board/Staff Linkage Policies

2.8.1.9 New Board Member Orientation (on District Convention year)

November or December Meeting

2.8.1.10 Board Education

2.8.1.11 Performance Appraisal of District President

2.8.1.12 Review Executive Limitations Policies

2.8.1.13 Annual Budget

2.8.2 The Board will undertake a retreat at one of its quarterly meetings.

2.8.2.1 Board Education - Regional Focus Group Meeting

SECTION 3 BOARD STAFF RELATIONSHIP

3.0 Board of Directors' Executive Accountability.

The District President shall be accountable to the Board in accordance with Board policies and the Synodical *Handbook*.

3.1 Board of Directors and District President Relationship

The Board retains all of its authority under the synodical Constitution and the synodical and District Bylaws but delegates to its District President interpretation and implementation of Ends Policies within the Executive Limitations Policies in Section 4 of this Policy Manual.

3.2 Board of Directors' Manner of Delegating

3.2.1 The Board shall not assign or delegate to the District President the duties reserved for the Board according to the current synodical *Handbook*.

3.2.2 As long as the District President uses any reasonable interpretation of the Board Ends or Executive Limitations Policies, he is authorized to use his discretion to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities in delegating to the District's departments the responsibility to carry out tasks to accomplish the Board's Ends.

3.2.3 Only decisions of the Board are binding upon the District President. Decisions or instructions of individual Board members, officers or committees are not binding on the District President except when the Board has specifically authorized such exercise of authority.

3.2.4 The District President may refuse such requests that require a material amount of staff time or district funds. He may also refuse such requests if they are disruptive.

3.3 Matters Requiring Board of Directors Action

- Where specific Board actions are required, the District President shall ordinarily bring recommendations to the Board for action, namely:

3.3.1 Approval of the annual budget of the District.

3.3.2 Approval of spending deviations from the budgets as stipulated in Board Policy 4.2.

3.3.3 Authorization of District-wide fund appeals of the District and Synod (exclusive of normal development and planned-giving activities and special-Sunday emphases, which shall be approved by the Synod).

3.3.4 Approval of nominations for calling an executive or professional staff member serving the District or a missionary serving under a call by the District. All other rostered workers will be called/employed by the District President.

- 3.4 Exceeding Board of Directors Executive Limitations.
- 3.4.1 Notice by District President
Upon recognition that a limitation has been exceeded, the District President shall give immediate notice to the Board Chair. If the exceeded limitation is immediately correctable, the District President shall take immediate action within policies and report the results to the Board. If the exceeded limitation is not immediately correctable, the District President shall share with the Board his plan for corrective action.
- 3.4.2 Notice by a Board Member
Board members shall bring to the Board Chair's immediate attention any condition or action believed to exceed any Executive Limitation Policy. Depending on the nature of the exceeded limitation, the Chair may request the District President to take immediate action or develop a plan for corrective action or may bring the matter to the Board for evaluation of the policy and appropriate action.
- 3.5 Means of Monitoring by Board of Directors
The Board shall utilize the following avenues of monitoring organizational performance of the President:
- 3.5.1 Receive and review management reports. (These are periodic reports that provide information and counsel to the Board on programs, trends, and developments that may affect its work and which report on District President compliance with Board policies.)
- 3.5.1.1 Receive and review periodic reports from the District President on the economic and demographic conditions and trends that affect The Lutheran Church-Missouri Synod in the Northwest District.
- 3.5.1.2 Receive and review quarterly reports from the District President on the fulfillment of the mission of the Northwest District.

SECTION 4 EXECUTIVE LIMITATIONS

- 4.0 BOARD OF DIRECTORS' EXECUTIVE LIMITATIONS POLICIES
In carrying out the responsibility of achieving the Board's desired outcomes, the District President shall act in a Christian manner and not cause or allow any practice, activity, decision or organizational circumstance which is illegal, unethical, imprudent or inconsistent with these policies, the Constitution and Bylaws of The Northwest District Lutheran Church Missouri Synod, and within such limitations, violate applicable federal and state laws.
- 4.1 Board of Directors' Executive Limitation on Financial and Operating Plans
With respect to the actual, ongoing financial health of the Northwest District, the District President shall not cause or allow the development of fiscal jeopardy through unsound and/or imprudent fiscal actions.
- 4.2 Board of Directors Executive Limitation on Budget Matters
The District President is responsible for presenting a multiple-year financial plan to the Northwest District Board of Directors at its Fall meeting. At this meeting, the District President shall submit for Board approval the annual operating budget for the Northwest District for the first year of the proposed multiple-year financial plan. In executing the approved budget, the District President shall NOT:
- 4.2.1 Allow more than a ten (10%) percent deficit of the total budget during the course of the fiscal year without prior Board approval.

- 4.2.2 Carry out actions which will cause a fiscal year-end negative balance in unrestricted net assets.
 - 4.2.3 Accept or reject unbudgeted restricted gifts without reporting them to the Board at the next regularly scheduled meeting.
 - 4.2.4 Close any district-funded, long-standing ministry without notifying the Board prior to the closing.
 - 4.2.5 Reduce the “current ratio” (current assets divided by current liabilities) at any time to less than 1.75 or allow working capital to drop below a safety reserve of less than thirty days working capital.
- 4.3 Board of Directors’ Executive Limitation on Accounting Policies.
- The District President is responsible for establishing policies and procedures for the Northwest District which comply with *Generally Accepted Accounting Principles* for not-for-profit organizations as determined by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants. In carrying out these responsibilities, the District President shall NOT:
- 4.3.1 Allow accounting policies and procedures that allow the traveler to approve expense vouchers.
 - 4.3.2 Allow accounting policies and procedures that fail to define the levels of approval of purchase orders and disbursements.
 - 4.3.3 Encumber and/or sell the net assets without prior Board approval.
 - 4.3.4 Provide the audited financial statements of the Northwest District to appropriate District personnel or others who request such statements or provide summaries thereof for publication until they are officially received by the Board.
 - 4.3.5 Engage outside auditors without prior approval of the Board.
 - 4.3.6 Keep from the Board the audit reports and management letters of the auditors.
 - 4.3.7 Restrict direct access to the Board by the outside auditors.
 - 4.3.8 Permit writing-off bad debt which exceeds \$5,000.00 without prior Board approval.
 - 4.3.9 Issue District checks in the amount of \$10,000 or more unless the check bears two authorized signatures.
- 4.4 Board of Directors’ Executive Limitation on Financial Transactions
- The District President is responsible for establishing and maintaining policies and procedures for handling financial transactions. In carrying out these responsibilities, the District President shall NOT:
- 4.4.1 Implement financial policies which harm the working relationship with LCEF and the LCMS Foundation
 - 4.4.2 Implement financial policies which exclude procedures for depositing surplus funds with the Synod and obtaining cash flow loans from the Synod by other synodical entities as defined by synodical Bylaw 3.3.5.8b.

- 4.4.3 Implement financial policies which exclude borrowing from Lutheran Church Extension Fund.
- 4.4.4 Implement financial policies which exclude use or investment of restricted funds.
- 4.5 Board of Directors Executive Limitation on Property

The District President is responsible for establishing administrative policies and procedures for handling property matters. In carrying out these responsibilities, the District President shall NOT without prior Board approval:

 - 4.5.1 Make unbudgeted capital expenditures greater than \$50,000.
 - 4.5.2 Make real property transactions greater than \$500,000.
 - 4.5.3 Approve the District's LCEF loan requests greater than \$1,000,000.
- 4.6 Board of Directors' Executive Limitation on Insurance.

The District President is responsible for establishing administrative policies and procedures for handling insurance matters. In carrying out these responsibilities, the District President shall NOT allow changes to the type of insurance policies or minimum policy limits and maximum deductibles without Board approval.
- 4.7 Board of Directors' Executive Limitation on Human Resources

The District President shall NOT allow human resource policies and procedures which would fail to conform to federal and state regulations and the provisions of the *Synodical Handbook*.
- 4.8 Board of Directors' Executive Limitation on the District Office Building and General Services.

The Board has delegated to the District President responsibility for the operation of the District office building and any off-site leased facilities. The District President shall NOT authorize new buildings or space additions on the District office building properties or off-site leases without prior Board approval.
- 4.9 Board of Directors' Executive Limitation on Legal and Governmental Matters

With respect to the responsibility for maintaining liaison with the District's general counsel and for making certain legal decisions, the District President shall NOT:

 - 4.9.1 Retain the District's general counsel or independent counsel in special cases without prior Board notification.
 - 4.9.2 Keep from the Board the commencement of any litigation against the District.
 - 4.9.3 Initiate litigation or respond to litigation without prior Board approval.
 - 4.9.4 Keep from the Board decisions to participate in legal proceedings as Amicus Curiae ("Friend of the Court Brief") or in support of any member congregation.
 - 4.9.5 Keep from the Board the granting of any powers of attorney.
 - 4.9.6 Form new legal entities without prior Board approval.
- 4.10 Board of Directors' Executive Limitation on Providing for Vacancy in Office.

In order to protect the Board from loss of Executive leadership, the District President shall have no fewer than two persons prepared to provide leadership in the event he is unable to serve. These people shall be familiar with Policy Governance, especially with issues related to Board and District Staff relationships.