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# Cornerstone Church Saskatoon, Saskatchewan Governance Manual

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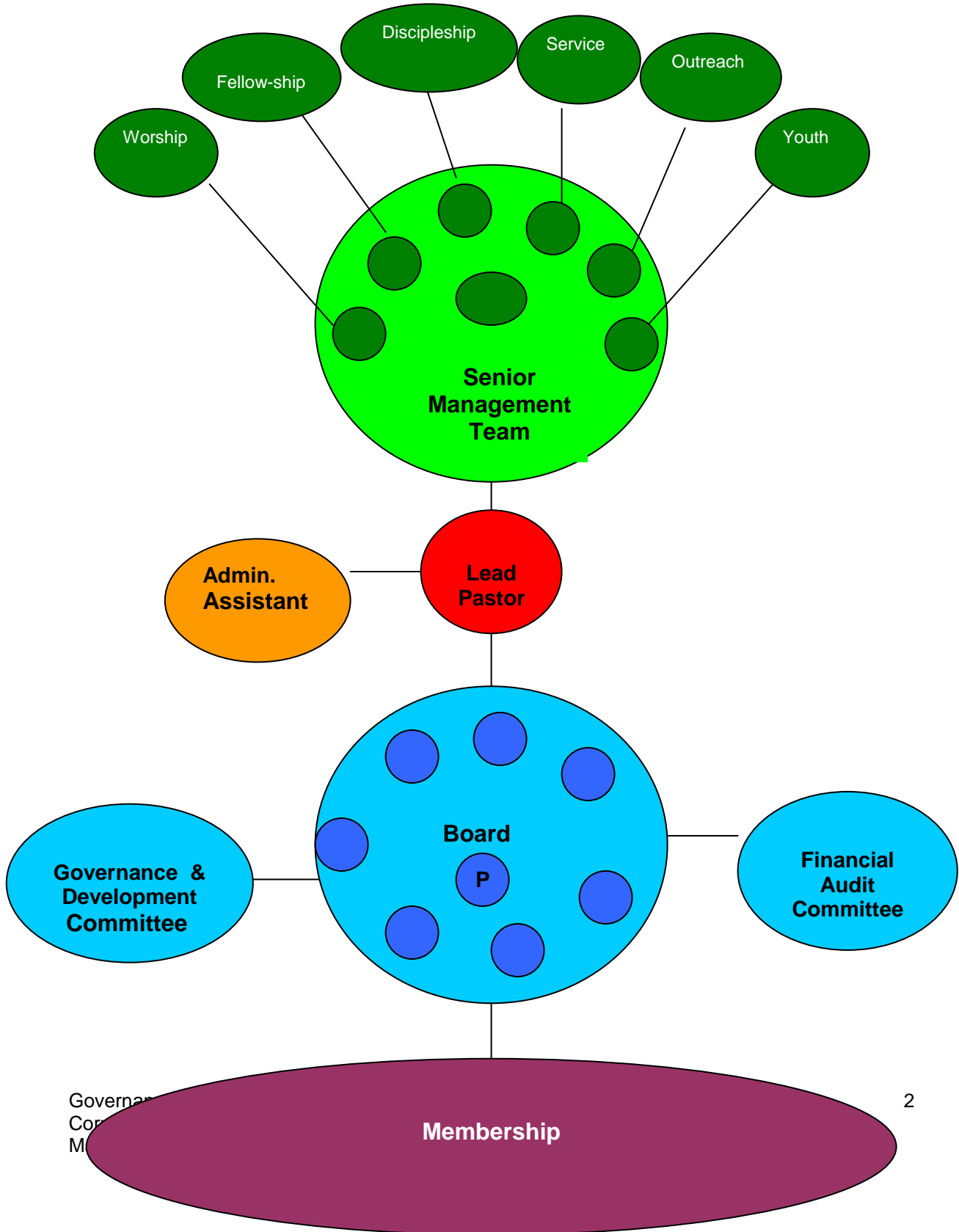


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# GS BOARD STRUCTURE

## GS – 1 CONGREGATIONAL STRUCTURE CHART



# Cornerstone Church Governance Manual

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## **GS CHURCH BOARD STRUCTURE**

### **GS 2.1 Role of the Church Membership**

The role of Church membership is to choose a board to provide direct leadership for the church. The authority of the congregation shall be vested in the congregational meeting. The Church Membership will delegate their authority and responsibility through the election process, they cannot delegate their accountability.

### **GS 2.1 Role of the Board**

The role of the Board is to direct and control the entire ministry of the church through governance process.

- They design the board's structure and governance process
- Provide strategic leadership by determining the church's values, services, beneficiary groups, vision, mission, and priorities as well as other components of the strategic plan
- Delegate management authority and responsibility to the lead pastor
- Be accountable for strategic results and ensure that the church and each individual in it act within the limitations of delegated authority.

### **GS 2.3 Role of the Chair**

The role of the Chair is to involve all board members in decision making, based on adequate information, discussion, and debate. The Chair is a servant of the board, and must not unduly influence the board. As such, the chair will normally abstain from voting. Only in exceptional circumstances will the chair cast a deciding vote.

### **GS 2.3 Role of the Assistant-chair**

If employed, the Assistant Chair's role is the same as the chair, but only actively functions when the Chair is unavailable or the chair has specifically delegated the responsibility to the Assistant Chair for a fixed time.

### **GS 2.4 Role of the Secretary**

The Role of the Secretary is to participate in the governance process of the board and to represent accurately and support the official positions and decisions of the board when interacting with members, the stakeholders and the public.

#### **GS 2.5 Role of the Treasurer**

The Role of the Treasurer is to participate in the governance process of the board and to serve as the Chair of the Financial Audit Committee.. He/she will report accurately the financial position of the church to the board and represent the board when interacting with members, the stakeholders and the public.

#### **GS 2.6 Role of the Individual Board Member**

The role of each board member is to participate in the governance process of the board and share in the responsibilities of the board. Board members will represent accurately and support the official positions and decisions of the board when interacting with members, the stakeholders and the public.

### **GS3 – RELATIONSHIP DESCRIPTIONS**

#### **GS3 – 1 The Board/Membership Relationship Description**

##### **1. AUTHORITY**

The source of all the Board’s operational authority is the congregation by election. The congregation shall provide the resources required for the Board to fulfill its responsibilities. The Board is authorized to fill vacancies on the Board by appointment.

The Board’s sources of legal/regulatory authority are various municipal, provincial and federal government authorities.

##### **2. LIMITATIONS OF AUTHORITY**

In exercising its strategic/operational authority the Board may not cause or allow the congregation to be in violation of the constitution and bylaws of Cornerstone Church.

In exercising its ecclesiastical authority the Board may not violate the regulations and theological position of (insert name of denomination).

In exercising its moral authority and its legal and regulatory authority, the Board may not cause the congregation to be in violation of federal, provincial or municipal laws.

##### **3. RESPONSIBILITIES**

The responsibilities of governance of the Board are to:

- Design the Board's structure and governance processes
- Provide strategic leadership by determining the congregation's values, beneficiaries and services, vision, mission and priorities
- Delegate management authority and responsibility to the lead pastor
- Be accountable for strategic results and to ensure that the congregation and each individual in it act within all the limitations of delegated authority

#### **4. EXPECTATIONS**

The expectations of the Board are described in its Strategic Plan and in the annual strategic goals of the congregation and in the annual tactical goals of the Board.

In fulfilling its strategic and operational responsibility the Board shall:

- Seek and follow the counsel of its members in its strategic planning process and in its governance of the strategic mission and priorities
- Exemplify for the congregation the life that is worthy of the high calling in Christ
- Arrange for Pastoral service during the sickness or absence of the lead pastor,
- Ensure that the annual budget includes adequate support for the church at large
- Emphasize the partnership of the congregation with approved mission organizations and encourage support for the work of the church at large

It shall annually appoint an auditing committee of at least two (2) persons, who are not members of any other committee.

#### **5. ACCOUNTABILITIES**

The Board is accountable to the members of Cornerstone Church, and to municipal, provincial and federal governments.

The Board's accountability shall be exercised by the submission of required documentation to authorities and by clear and true reporting to the congregation and the members of Cornerstone Church.

##### **GS 3.1 Board Chair/Church Relationship**

###### ***Authority***

The board chair receives his or her authority by the election of the board to lead the governance processes. The board shall provide the board chair with the material resources required for that process.

### ***Limitations of Authority***

In the fulfillment of the responsibilities of this position the board chair may not:

- Take any action not authorized by the board
- Direct the decision-making process towards any specific outcome
- Give management direction to the lead pastor or the lead pastor's staff
- Cause the board to be in violation of the limitations of its authority
- Prevent any proposal from any board member from being considered at the next meeting.

### ***Responsibility***

The responsibilities of the board chair are to:

- Lead the governance process, including the preparation of the agenda, ensuring the flow of relevant governance information to the board and chairing the meetings of the board
- Lead the process of designing and maintaining board structure and process
- Initiate the strategic planning process
- Lead the process of delegating authority and responsibility to the lead pastor
- Lead the process of the board accountability, including an evaluation of the strategic results, the annual review of the performance of the board, the individual board members, the lead pastor, and a process of evaluation of the board chair
- Act as an official spokesperson of the church to the stakeholders and the public

### ***Expectations***

The expectations of this position shall be negotiated in the annual review of the board chair and shall include:

- Preparing for and attending every meeting of the board
- Managing the flow of all relevant governance information to the board members
- Ensuring that all decisions are documented accurately in minutes, policies and other documents
- Ensuring that the requirements of the board's accountability to civil government and the stakeholders are met
- Conduct that is consistent with the core values of affirmation, involvement and servant leadership.

### ***Accountabilities***

Accountability in this relationship is mutual.

*The board is accountable to the board chair for:*

- Providing all the authorization and resources required for the responsibilities
- Providing an annual review of the board chair's performance
- Negotiating reasonable expectations of the board chair's responsibility

- Expressing affirmation, involvement and servant leadership in its relationship with the board chair.

*The board chair is accountable to the board for*

- Performance with respect to the negotiated expectations
- Compliance with the limitations of authority of the position.

### **GS 3.2 Assistant Chair/Church Relationship**

#### ***Authority***

The assistant chair receives his or her authority by the election of the members to assist the governance processes. The board shall provide the Assistant chair with the material resources required for that process.

#### ***Limitations of Authority***

In the fulfillment of the responsibilities of this position the vice chair may not:

- Take any action not authorized by the board
- Direct the decision-making process towards any specific outcome
- Give management direction to the lead pastor or the pastor's staff
- Cause the board to be in violation of the limitations of its authority
- Prevent any proposal from any board member from being considered at the next meeting.

#### ***Responsibility***

The responsibilities of the vice chair are to:

- Assist the board chair with the governance process.
- In the absence of the board chair, assume the responsibilities of the board chair.

#### ***Expectations***

The expectations of this position shall be negotiated in the annual review of the board chair and shall include:

- Preparing for and attending every meeting of the board
- Managing the flow of all relevant governance information to the board members
- Ensuring that all decisions are documented accurately in minutes, policies and other documents
- Ensuring that the requirements of the board's accountability to civil government and the stakeholders are met
- Conduct that is consistent with the core values of affirmation, involvement and servant leadership.

#### ***Accountabilities***

Accountability in this relationship is mutual.

*The board is accountable to the Assistant chair for:*

- Providing all the authorization and resources required for the responsibilities
- Providing an annual review of the vice chair's performance
- Negotiating reasonable expectations of the vice chair's responsibility
- Expressing affirmation, involvement and servant leadership in its relationship with the vice chair.

*The assistant chair is accountable to the board for*

- Performance with respect to the expectations
- Compliance with the limitations of authority of the position.

### **GS 3.3 Board Secretary/Board Relationship**

#### ***Authority***

The board secretary receives his or her authority by the election of the board to facilitate and resource the governance processes. The board shall provide the board secretary with the material resources required for that process.

#### ***Limitations of Authority***

Without specific authority from the board, an individual board member may not:

- Speak officially on behalf of the board or church
- Enter into any legal or financial agreement on behalf of the church
- Give management direction to the lead pastor or the administrator of the church

#### ***Responsibility***

The responsibilities of the Secretary are to:

- Chair the Governance and Development Committee; oversee the orientation of new board members
- Maintain accurate records of the board's activities, and governance processes.
- Facilitate the board in communication with church members, and other stake holders.

#### ***Expectations***

The expectations of this position shall be negotiated in the annual review of the board chair and shall include:

- Recording the minutes of the board and congregational meetings.
- Make board minutes available to board members and interested congregational members within two weeks of the meeting.
- Look after correspondence as directed by the Church Council.
- Be responsible for keeping the official copies of the constitution up-to-date and ensure that all amendments are published.

#### ***Accountabilities***

Accountability in this relationship is mutual.

*The board is accountable to the secretary for:*

- Providing all the authorization and resources required for the responsibilities
- Providing an annual review of the *secretary's* performance
- Negotiating reasonable expectations of the *secretary's* responsibility
- Expressing affirmation, involvement and servant leadership in its relationship with the secretary.

*The secretary is accountable to the board for:*

- Performance with respect to the negotiated expectations
- Compliance with the limitations of authority of the position.

### **GS 3.4 Treasurer/Board Relationship**

#### ***Authority***

The treasurer receives his or her authority by the election of the board to serve as the Chair of the Financial Audit Committee. The board shall provide the treasurer with the material resources required for that process.

#### ***Limitations of Authority***

Without specific authority from the board, the treasurer may not:

- Speak officially on behalf of the board or church
- Enter into any legal or financial agreement on behalf of the church
- Give management direction to the lead pastor or the administrator of the church

#### ***Responsibility***

The responsibility of the treasurer is to:

- Chair the Financial Audit Committee
- Monitor the financial systems of the church.
- Ensure proper accountability and communication of the church's financial position
- Oversee annual audit process
- Manage all other investments, property and assets at the direction of the board.

#### ***Expectations***

The expectations of this position shall be negotiated in the annual review of the board chair and shall include:

- Lead the Financial Audit Committee in the fulfillment of its responsibilities
- Present a report of the Financial Audit Committee at each meeting of the board
- Give a complete account of the finances as monitored by the Financial Audit Committee and audited by the auditor at the annual business meeting of the church.

#### ***Accountabilities***

Accountability in this relationship is mutual.

*The board is accountable to the treasurer for:*

- Providing all the authorization and resources required for the responsibilities
- Providing an annual review of the *treasurer's* performance
- Negotiating reasonable expectations of the *treasurer's* responsibility
- Expressing affirmation, involvement and servant leadership in its relationship with the secretary,

*The treasurer is accountable to the board for:*

- Performance with respect to the negotiated expectations
- Compliance with the limitations of authority of the position.

### **GS 3.5 Board Member/Board Relationship**

#### ***Authority***

The board member is authorized by the members by virtue of his or her election to the board to participate in the governance of the church. Once elected the source of authority is the board.'

The board shall provide costs of board planning retreats, board members' liability insurance, board materials and resources for orientation and training.

#### ***Limitations of Authority***

Without specific authority from the board, an individual board member may not:

- Speak officially or act on behalf of the board or church
- Enter into any legal or financial agreement on behalf of the church
- Give management direction to the lead pastor or the administrator of the church

#### ***Responsibility***

The responsibility of each board member is to:

- Participate in the governance process of the board
- Share in the responsibilities of the board as defined in its board/membership relationship description
- Represent accurately and support the official positions and decisions of the board when interacting with members, the stakeholders and the public.

#### ***Expectations***

Each board member is expected to

- Become a student of spiritual leadership, and participate in orientation.
- Gain a working knowledge of the policies, the governance manual and the strategic plan of the church.
- Read reports and study material provided for preparation of board meetings
- Attend all board meetings and meeting of committees of which he or she is a member or to indicate to the board or committee chair the reason for his or her

- inability to attend and to attend no less than two-thirds of all Board meetings called in a year;
- Participate actively in discussion and the decision-making process
- Display personal conduct that reflects the values of the church

***Accountabilities***

Accountability in this relationship is mutual.

*The board is accountable to the board member for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position.*

*Each board member shares in the board’s accountability to the members of achieving strategic results, and in governing the church with due diligence and integrity and in its accountability to civil governments for compliance with all relevant laws and regulations.*

*Each board member is accountable to the board and to the civil government’s regulatory body under whose laws the church is registered, for handling the finances of the church with integrity.*

*The board member is accountable to the board for performance with respect to the expectations and for compliance with the limitations of authority of the position.*

**GS4.1 Governance and Development Committee/Board Relationship  
Description**

***Authority***

The Governance and Development Committee receives its authority from the board to assist the board with governance matters. The appointment of the Committee shall take place at the first meeting of the Board following the Annual General Meeting. The Committee shall consist of the board Secretary and two other members of the board.

Members of the Committee shall hold office until the conclusion of the first meeting of the Board following the Annual General Meeting. A quorum for Committee meetings is three (3) members.

***Limitations of Authority***

The Governance and Development Committee may not:

- Give management direction to the lead pastor or his/her staff
- Violate the limitations of the bylaws
- Conduct the review of its own committee chair/Board or committee/Board relationship.

***Responsibilities***

The Committee is responsible for:

- Designing and conducting a program of orientation for new Board members
- Monitoring the Board's performance in governance and conducting the relationship reviews that are internal to the Board
- Reviewing current governance policies and recommend revisions and additions to the Governance Manual
- Co-ordinating a program of governance education for the Board and its members

### ***Expectations***

In fulfilling its responsibilities, the Committee is expected to;

- Complete each new Board member orientation before the new Board member's second regular Board meeting
- Maintain the monitoring schedule listed in the Governance Manual
- Review the Governance Manual annually
- Communicate with the Congregation, providing regular opportunities for receiving individual member input.

### ***Accountability***

The Board is accountable to the Committee for:

- Providing the authorization and resources required for the responsibility
- Ensuring the assistance of the Management Team.

The Committee is accountable to the Board for:

- Fulfilling its responsibility within the time expected
- Providing a final report to the Board at the conclusion of its mandate, including:
  - Dates of meetings and committee member attendance
  - Summary of policy recommendations for the year
  - Summary of monitoring activities.

The Board and the committee shall confirm or renegotiate the relationship description annually.

## **GS4.2 Financial Audit Committee/Board Relationship Description**

### ***Authority***

The Financial Audit Committee receives its authority from the board to assist the board in fulfilling its responsibilities with respect to the audit of the organization's books and records and the system of internal controls that the organization has established.

The Committee shall consist of three members, appointed by the board for a two year term. The Committee may include non-board members except for the position of the Committee chair.

A quorum shall be 3 members.

### ***Limitations of Authority***

Advising the Board on matters of finance, the Committee may not, without additional authorization by the Board:

- Manage the day-to-day operations of the congregation
- Give management direction to the lead pastor or staff
- Monitor management performance not covered in financial limitations and expectations policies
- Request reports not required for the monitoring of financial limitations and expectations policies
- Enter into a conflict of interest

### ***Responsibilities***

As a committee supporting the Board in financial matters, the Committee shall:

- Review lead pastor financial limitations and expectations policies and recommend changes to the board
- Monitor financial limitations and expectations policies in accordance with the monitoring schedule  
Receive action plans from the lead pastor when financial limitations and expectations policies are violated and report significant violations to the Board
- Recommend the engagement of an external auditor and manage the relationship with the external auditor chosen by the board
- Make recommendations for change and improvement to the board regarding the financial management by the pastor

### ***Expectations***

The Committee shall meet not less than four times per year, not later than sixty days following the end of any quarter of the fiscal year. Notice of meetings shall be given in writing.

Members of the Committee are expected to attend all meetings of the committee.

The Committee shall provide copies of the financial limitations and expectations policy monitoring reports to the Board at least one week prior to its next meeting.

In carrying out its responsibilities, the committee is specifically expected to:

1. Review with the outside auditors the organization's accounting and financial reporting controls. Obtain annually in writing from outside auditors a letter regarding the adequacy of such controls.
2. Review with the outside auditors significant accounting and reporting principles, practices, and procedures applied by the organization in preparing its financial statements. Discuss with the outside auditors their judgments about the quality--not just the acceptability--of the organization's accounting principles used in financial reporting.
3. Review the scope and general extent of the outside auditors' annual audit. The committee's review may include an explanation from the outside auditors of the factors considered by the accountants in determining the audit scope, including the major risk factors. The outside auditors may confirm to the committee that no limitations have been placed on the scope or nature of their audit procedures. The committee shall review annually with the executive director the fee arrangement with the outside auditors.
4. Inquire as to the independence of the outside auditors and obtain from the outside auditors, at least annually, a formal written statement delineating all relationships between the outside auditors and the organization, including other consulting work being performed by the outside auditors for the organization.
5. At the completion of the annual audit, review with the outside auditors the following:
  - a. Results of the audit of the financial statements and the related report therein and, if applicable, a report on changes during the year in accounting principles and their application.
  - b. Significant changes to the audit plan, if any, and serious disputes or difficulties the staff encountered during the audit. Inquire about the cooperation received by the outside auditors during their audit, including access to all requested records, data, and information. Ask the outside auditors about any disagreements with the staff that, if left unresolved, could have caused them to issue a nonstandard report on the organization's financial statements.
  - c. Further, receive a written communication provided by the outside auditors concerning their judgment about the quality of the organization's accounting principles, and confirm that they concur with the staff's representation regarding audit adjustments.
  - d. Meet with the staff and the outside auditors to discuss any "material" or "serious" recommendations that the outside auditors may have. The committee may review the staff's response to the letter and receive follow-up reports on action taken.
  - e. Recommend to the board the selection, retention, or termination of the outside auditors

### ***Accountabilities***

The Committee shall report the following to the Board in writing at the first meeting of the fiscal year:

- dates of meetings and committee member attendance
- Summary of financial policy recommendations for the previous year
- Summary of monitoring of financial limitations and expectations policies

A report of the results of the audit shall be given at the annual membership meeting. The Board and the Committee shall confirm or renegotiate the relationship description annually.

### **GS4.3 Ministry Gifts and Discernment Committee/Board Relationship Description**

#### ***Authority***

The Ministry Gifts and Discernment Committee receives its authority from the board to assist the board with discerning ministry gifts, The appointment of the Committee shall take place at the first meeting of the Board following the Annual General Meeting, The Ministry Gifts and Discernment Committee shall consist of one Board member, the lead pastor, and at least two Members appointed from the congregation. The Members from the congregation shall be appointed for three-year staggered terms.

#### ***Qualifications of Committee Members***

Due to the important nature of leadership discernment, members of this committee shall meet the same spiritual qualifications as outlined for the board. In addition, the Committee shall consist of individuals who have a variety of spiritual gifts including the gifts of leadership, wisdom, discernment, and intercessory prayer. Committee members shall remain knowledgeable of the Church, its laity, and its goals and mission.

Members of the Committee shall hold office until the conclusion of the first meeting of the Board following the Annual General Meeting. A quorum for Committee meetings is three (3) members.

#### ***Limitations of Authority***

The Ministry Gifts and Discernment Committee may not:

- Give management direction to the lead pastor or his/her staff
- Violate the limitations of the bylaws
- Conduct the review of its own committee chair/Board or committee/Board relationship.

#### ***Responsibilities***

The primary responsibility is to assist the Church in the discernment of leaders who are qualified by New Testament standards, being servant-minded, spiritually mature, and

having spiritual gifts appropriate to their specific ministry areas, and who shall represent the congregation and be accountable to other leaders, and to the congregation.

### ***Expectations***

In fulfilling its responsibilities, the Committee is expected to;

- Except as otherwise herein provided, select nominees for all leadership positions required to be filled by election at a meeting of the membership.
- Interview each nominee to assure willingness to serve.
- Present nominees to Church Board for review prior to posting it to the membership.
- Post the list of incumbents and nominees at least fourteen (14) days prior to the election.

### ***Accountability***

The Board is accountable to the Committee for:

- Providing the authorization and resources required for the responsibility
- Ensuring the assistance of the Management Team.

The Committee is accountable to the Board for:

- Fulfilling its responsibility within the time expected
- Providing a final report to the Board at the conclusion of its mandate, including:
  - Dates of meetings and committee member attendance
  - Summary of policy recommendations for the year
  - Summary of monitoring activities.

The Board and the committee shall confirm or renegotiate the relationship description annually

## **GS4.4 Lead Pastor and Pastoral Staff Salaries and Benefits Committee/ Board Relationship Description**

### ***Authority***

The Committee receives its authority from the board to assist the board with ensuring appropriate salaries and benefits for the pastor staff. The appointment of the Committee shall take place at the first meeting of the Board following the Annual General Meeting, The committee shall consist of the Board Chair, the Lead Pastor, Treasurer and two members from the Facility and Finance Ministry Team.

Members of the Committee shall hold office until the conclusion of the first meeting of the Board following the Annual General Meeting. A quorum for Committee meetings is three (3) members.

### ***Limitations of Authority***

The Committee may not:

- Give management direction to the lead pastor or his/her staff
- Violate the limitations of the bylaws
- Conduct the review of its own committee chair/Board or committee/Board relationship.

### ***Responsibilities***

Whenever a new Pastor or Pastoral Staff member is employed by the Church, this committee shall work with the Search Committee and such new Pastor or Pastoral Staff member to draw up a memorandum of ministry which shall be submitted to the Council for approval. Such a memorandum shall include the salary and allowance to be paid, and privileges and working conditions, such as holiday arrangements, etc., which apply to this individual.

### ***Expectations***

The Committee is expected:

- Annually, prior to the setting of the Church budget, the committee shall meet with each Pastor and Pastoral Staff member to review their salary and working conditions and bring a recommendation for any changes to the budget planning sessions in November.
- to treat the pastoral staff with affirmation, involvement and servant leadership in the conduct of its work
- to complete its work in a timely manner.

### ***Accountability***

The Board is accountable to the Committee for:

- Providing the authorization and resources required for the responsibility
- Ensuring the assistance of the Management Team.

The Committee is accountable to the Board for:

- Fulfilling its responsibility within the time expected
- Providing a final report to the Board at the conclusion of its mandate, including:
  - Dates of meetings and committee member attendance
  - Summary of policy recommendations for the year
  - Summary of monitoring activities.

**The Board and the committee shall confirm or renegotiate the relationship description annually**

## **GS4.5 Pastoral Search Committee/Board Relationship Description**

### ***Authority***

The Pastoral Search Committee receives its authority from the board to assist the board with finding qualified pastors to serve the congregation. The appointment of the Committee shall take place when the office of Lead pastor becomes vacant. The board shall appoint four people from the church membership. The Board shall designate one board member as the chairperson for this committee.

Members of the Committee shall hold office until the vacancy is filled with a qualified candidate.. A quorum for Committee meetings is three (3) members.

### ***Limitations of Authority***

The Committee may not:

- Give management direction to the lead pastor or his/her staff
- Violate the limitations of the bylaws
- Conduct the review of its own committee chair/Board or committee/Board relationship.

### ***Responsibilities***

The primary purpose of the Pastoral Search Committee is to assist the congregation to find a suitable candidate for the vacant pastoral office and to lead the process of filling the vacancy.

### ***Expectations***

The Committee is expected:

- To solicit applications for the vacant position.
- To contact sources of information regarding potential candidates for the position.
- To obtain references and conduct interviews with candidates.
- To invite a candidate to be presented to the Church.
- To make a presentation of a potential candidate(s) to the church board including a written summary of their work, resume(s), and any other additional information.
- To be a resource for the congregation in making the final decision.

### ***Accountability***

The Board is accountable to the Committee for:

- Providing the authorization and resources required for the responsibility
- Ensuring the assistance of the Management Team.

The Committee is accountable to the Board for:

- Fulfilling its responsibility within the time expected
- Providing a final report to the Board at the conclusion of its mandate, including:
  - Dates of meetings and committee member attendance
  - Summary of policy recommendations for the year
  - Summary of monitoring activities.

The Board and the Committee shall confirm or renegotiate the relationship after each time the Committee completes its work.

## **GP GOVERNANCE PROCESSES**

The governance processes are divided into four separate areas, reflecting the four distinct responsibilities of the Board.

### **GP1 – BOARD PROCESSES**

In these processes the word “shall” means the action is required. The word “may” means the action is optional.

#### **GP1.1 Election of Chair, Vice-chair, Secretary**

The first board meeting may be held within one month of the annual congregational meeting. This meeting may be called by the board chair of the previous year, and they shall direct the election process. The board shall elect a chair and a secretary for the upcoming year.

#### **GP1.2 Regular and Extraordinary Board Meetings**

The board shall meet according to a mutually agreed schedule, a minimum of six times a year.

The board may meet at extraordinary times as the need arises.

Meetings of the board may be called by any two Church Officers or one Church Officer and the lead pastor.

#### **GP1.3 Board Meeting Preparation**

The board chair shall prepare an agenda of items to be discussed at the upcoming board meeting and distribute it to the board members one week (two weeks) prior to meeting. The Board chair shall also provide the necessary information and resources to encourage thoughtful reflection. Board members are to prepare themselves spiritually

in prayer for the meeting and ensure they are familiar with the agenda and any other information provided by the chair.

#### **GP1.4 Meeting Procedures**

The board chair shall direct the meeting ensuring discussion and contribution by all members of the board. In order to determine the need for and the content of the motion, informal discussion may occur on a subject before a specific motion is made and seconded. Motions shall be made and seconded before formal discussion on the specific motion may begin. The motion shall be recorded by the recording secretary and read aloud before debate commences.

Amendments or substitute motions or changes in wording require a motion and a second after the original motion has been seconded. The amendment, motion to substitute or to change wording shall be decided by vote before the amended, substituted or modified motion is put to the vote.

Agendas shall be structured to include the four areas of the Board's responsibility

- Board structure and process
- Strategic Planning
- Delegation to the lead pastor
- Monitoring and Measuring

Unless otherwise specified in this Governance Manual, meeting procedures shall follow the most recent edition of *Robert's Rules of Order*. The Board chair may appoint a parliamentarian to monitor the meeting procedures.

#### **GP1.5 Consensus and Voting**

The board shall normally make decisions by consensus. If consensus is not reached, more information and discussion may be needed. At the Board Chair's discretion a decision may be postponed in order to allow for more time to gain information or pray through the issue.

When consensus is not possible, decisions shall be made by voting. A simple majority is required unless stated otherwise in the bylaws of Cornerstone Church.

A show of hands is sufficient, but a Board member may call for a count, which then shall be taken and recorded. Any member may call for a written ballot by making a motion to that effect.

#### **GP1.6 Governance Manual Reviews**

The review of the Governance Manual shall take place at the first Board meeting each year. The Governance and Development Committee shall prepare the review at a meeting prior to this Board meeting.

### **GP1 – 7 Conflict of Interest Policy**

The purpose of this policy is to identify and manage potential conflicts of interest between a Board member and Cornerstone Church.

If any Board member has any personal or corporate interest in any matter other than the best interest for the welfare of Cornerstone Church, there is a potential conflict of interest.

#### **The Role of the Board Member**

Each Board member shall:

- Examine the Board agenda for potential conflicts of interest
- Notify the Board chair before the meeting of the potential conflict
- Declare the potential conflict at the beginning of the meeting where the matter appears on the agenda
- Abstain from discussion on the agenda item unless invited to do so by the chair
- Abstain from voting on the agenda item unless invited to do so by the chair
- Excuse him/self from that portion of the meeting if asked to do so by the Board chair or the Board.

#### **The Role of the Board Chair**

The Board chair shall:

- Advise the Board of any potential conflicts of interest that have been declared
- Call for potential conflicts of interest at the beginning of each meeting
- Determine whether the director is in conflict in the matter
- Determine the role of the director during the discussion of the agenda item in which there is a potential conflict.

#### **The Role of the Board**

In cases where the potential conflict is unclear or undeclared the Board shall:

- Decide whether the matter may be handled as a potential conflict of interest
- Decide the appropriate course of action to deal with an undeclared conflict
- Record the potential conflict and related actions in its minutes.

### **GP1 – 8 Conflict Resolution Process**

The Board shall follow the guidelines for conflict resolution contained in Matthew 18:15-17 and 1 Corinthians 6:1-8. Thus the principles of any conflict resolution process shall include the following:

- a. A forgiving spirit on the Board's part shall be the foundation of any conflict resolution process,
- b. The process shall begin with direct negotiation and proceed to mediation and arbitration as required.
- c. The process shall be fair and transparent and shall seek to uphold the dignity of all persons.
- d. The process shall seek justice first and reconciliation second, recognizing that justice is necessary in order to achieve reconciliation.

This policy addresses the following potential conflicts:

1. Conflicts in which the Board is directly involved.
  - a. Conflicts within the Board,
  - b. Conflicts between the Board and persons or groups within the congregation (members/staff/volunteers),
  - c. Conflicts between the Board and persons or groups outside the congregation.

In cases where the Board is one of the parties in the conflict, the Board shall attempt to negotiate the conflict. May those efforts fail, the Board shall seek to resolve the conflict through mediation before submitting the conflict to arbitration.

2. Conflicts which the Board is being asked to arbitrate.
  - a. Conflicts between persons or groups within the congregation,
  - b. Conflicts between persons or groups within the congregation and persons or groups outside the congregation.

In cases where the Board is not one of the parties in the conflict but is being asked to arbitrate the conflict, the Board shall not become involved until all efforts at negotiation and mediation (whether described in policy or not) have been exhausted.

Where those efforts have failed and the Board has agreed be the arbiter in the conflict the following components shall be part of the Board process.

- a. The person or group making the allegation(s) shall be identified,
- b. The person or group to whom the allegation(s) is/are directed shall be identified,
- c. The allegation(s) shall be made in writing to avoid assumptions or misperceptions, hearsay or irresponsible criticism,
- d. The allegations shall be accompanied by information that supports the allegation(s),
- e. Both the allegations and the supporting information shall be shared with the person(s) or group to whom the allegations are directed
- f. At the discretion of the Board the allegations shall be presented to the Board in the presence of the person(s) or group to whom they refer,
- g. The person(s) or group to whom the allegation is directed shall have an opportunity to request additional information in writing and respond to the allegations in the presence of the person(s) bringing them.
- h. The Board shall have an opportunity to ask both parties for clarification or information.
- i. The Board may meet *in camera* to consider the conflict. If new information presents itself at this point, the process shall revert back to “e” above, and this information shall be shared with the person(s) or group to whom the allegations are directed.
- j. The Board shall report its decision to both parties in writing.
- k. Under exceptional circumstances (e.g. sexual harassment, fraud) there may be delays in the conflict resolution process to allow for external investigation.

#### **GP1.9 Minutes, Recording, Distribution, Approval**

The Board secretary shall accurately record the minutes of every board meetings. They shall be ready for distribution to the Board, the church office and interested church members within two weeks of the meeting. The church office shall maintain record of all minutes.

The Board minutes are the only official record of Board action. Only decisions and actions recorded in the official minutes shall be considered as official action of the Board.

The minutes shall be approved at the next Board meeting and shall become the official record of action taken at the previous Board meeting.

#### **GP1.10 Staff and Guest Attendance**

The Board may invite any person to attend its meetings as a guest observer, presenter or participant. Normally, the chair shall approve such visitors.

Permission to speak or participate in discussion shall be the prerogative of the chair. The Board may also approve the presence and level of participation of visitors by vote.

### **GP2 – STRATEGIC PLANNING PROCESS**

Yearly, the board shall set aside time for long term strategic planning. It shall be initiated through the search of scripture and dedicated prayer, as well as an understanding of our current culture and community. The Lead pastor shall give an overview of the past years spiritual teachings, sermons and other significant moments. The board shall have the opportunity to comment on and discern where the Holy Spirit has been active in the past year. This shall include a rigorous evaluation of the current mission and vision, and how the ministries, programs and services offered by the church, are fulfilling their mandate. From this the lead pastor and the board shall set new priorities for the upcoming year. Also, time may be given to long term planning in five, ten and twenty year strategies. The board secretary shall prepare this report annually for presentation at the congregational meeting.

Because of rapid changes in opportunity and in the cultural environment in which we work, the Strategic Plan shall be reviewed and revised annually.

#### **GP2.1 Strategic Context**

##### **GP2.1.1 Historical Context**

The Strategic Plan begins with a list of the milestone internal events in the development of the congregation that have given the congregation its present culture and direction. These significant events form the historical context.

### **GP2.1.2 Environmental Context**

The significant and changing factors within the congregation's environment may be listed here, e.g. spiritual/religious, economic, cultural, political, etc. The factors identified in the strategic planning process shall guide the environmental scanning schedule and invitation of guests at Board meetings.

### **GP2.2 Values**

The members of Cornerstone Church share values that bring us together into a relationship. Governing values may change slightly over time. The Board may review and revise the Values Statement from time to time.

### **GP2.3 Beneficiaries, Strategic Partners, and Stakeholders**

Beneficiaries are the categories of individual or groups that form the people and groups who benefit from the services of the organization. They may be described by need, age, type of individual or organization or other categories that are mutually exclusive. They may be divided further to identify internal beneficiaries, e.g. staff and volunteers, and external beneficiaries, e.g. clients, their families, other organizations, etc.

Strategic partners are those organizations or churches with whom we share some part of our mission. While they are not direct recipients of our mission, some financial resources may be allocated to them, so that they are able to deliver on our behalf the services we offer to our beneficiaries. Strategic partners may also be the source of funding for providing services on their behalf that are consistent with our strategic priorities.

Stakeholders are individuals and groups who may be directly impacted by the organization but who themselves are not direct recipients of the organization's services, e.g. government, suppliers, other organizations, etc.

### **GP2.4 Services**

A fundamental basis of the strategic planning process is identifying what services we shall provide. The strategic services are distinguished from programs which are the tactical component that the staff develops to deliver the services.

## **GP2.5 Places**

Places are the geographical references in which the services are delivered. They may be expressed by regions, countries or places within countries.

## **GP2.6 Vision**

Vision is a statement of what we want the future effect of the services of Cornerstone Church to be. It is challenging and expresses the hope for the future that lies just beyond the strategic planning "horizon". The Board shall review the Vision Statement annually as part of the strategic planning process.

## **GP2.7 Mission**

The Mission Statement is the most concentrated expression of what strategic purposes Cornerstone Church exists to accomplish. The Board shall review the Mission Statement annually. It may change from time to time to reflect changes in need and opportunity.

## **GP2.8 Priorities**

The Board shall review and revise its strategic priorities annually to determine how best to allocate limited resources to fulfil its Mission.

## **GP2.9 Strategic Goals**

Strategic Goals are an expression of intent for the accomplishing of the Strategic Plan of Cornerstone Church. They are based on the indicators of strategic results. The Board shall set Strategic Goals annually.

Strategic Goals refer to the S.M.A.R.T. goals that are Specific, Measurable, Achievable, Relevant to the Mission and Priorities and Time-limited. They deal with the "what" (insert name of church) seeks to do, rather than the Tactical Goals that deal with "how" the lead pastor seeks to accomplish the mission and priorities.

## **GP2.10 Critical Success Factors**

The Strategic Plan is completed with a list of those factors in the management of Cornerstone Church's service delivery that are critical to the success of its Vision and Mission.

## 10.1 Critical Tactical Directions

These are the important tactical (operational) matters that shall be required during this planning period. They may include real estate, building, major renovation, investments, endowments, systems or other major efforts. These do not form the Mission itself but are critical to its success.

## 10.2 Critical Risk Factors

These form the bridge between the strategic governance of the Board and the tactical management of the lead pastor. Identifying the critical success factors allows the Board to give management direction to the lead pastor without becoming directly involved in management and may also be helpful in monitoring the management of areas of risk by the lead pastor.

Critical risk factors may address the following subjects among others.

<p>Relationships</p> <ul style="list-style-type: none"><li>• Relationships with members/donors/funding sources</li><li>• Relationships with regulatory authorities</li><li>• Relationships with staff/volunteers</li><li>• Relationships between Board/staff volunteers</li><li>• Strategic alliances</li><li>• Staff/volunteer recruitment, retention, development</li><li>• Values</li></ul>
<p>Processes</p> <ul style="list-style-type: none"><li>• Governance</li><li>• Management</li><li>• Planning – strategic/tactical</li><li>• Services/programs/products</li><li>• Communication</li><li>• Marketing/fundraising</li><li>• Monitoring and measuring</li></ul>
<p>Finance/Infrastructure</p> <ul style="list-style-type: none"><li>• Operating funding</li><li>• Financing (operating credit)</li><li>• Financial management</li><li>• Capital needs</li><li>• Reserves</li></ul>

- Buildings and property
- Systems/equipment

### **GP3 – DELEGATING MANAGEMENT AUTHORITY AND RESPONSIBILITY TO THE PASTOR**

The Board shall delegate all authority and responsibility for the spiritual ministry and for the infrastructure of Cornerstone Church to the lead pastor. The Board shall instruct the lead pastor of all limitations of the authority and expectations of responsibility being delegated in written Limitations and Expectations Policies. No limitations or expectations may be assumed or implied. Limitations and Expectations Policies may be added, modified or deleted as required from time to time.

The Board shall hold the lead pastor accountable for all performance related to the ministry of Cornerstone, management of its infrastructure, and for performance of strategic mission and priorities. The lead pastor is also accountable for compliance with limitations of authority and expectations of responsibility. The lead pastor is the only staff person accountable directly to the Board.

The Board shall request all information for strategic planning, monitoring performance and measuring results for the congregation's infrastructure directly from the lead pastor, who may delegate the requests to the appropriate staff members. The Board may with the lead pastor's consent make such requests directly.

The Board may in exceptional circumstances delegate temporary authority and responsibility to other staff members. The Board may not hold the lead pastor accountable for performance or strategic or tactical results in such cases.

#### **GP3.1 Role of the Lead Pastor**

The board and the pastoral staff function as partners dedicated to achieving a common vision, each having distinct roles and responsibilities within the church.

The Lead pastor is entrusted with the spiritual and administrative ministry of the church and shall seek to coordinate and promote the purpose of the church through its various ministries.

The lead pastor is responsible for spiritual leadership and Pastoral care. He is also responsible for all aspects of the operation of the congregation that are defined by the Board as infrastructure or administrative in nature.

The lead pastor shall also provide leadership for staff and volunteers whose ministry in the congregation is administrative in nature.

The lead pastor is accountable to the Board for achieving strategic outcomes and for compliance with the Limitations of Authority and Expectations of Responsibility.

### **GP3.2 Lead Pastor/Board Relationship**

#### ***Authority***

The board is the source of strategic/operational authority for the lead pastor following the pastor's acceptance of the call from the congregation.

The board shall assure that the budgeted resources required for the successful fulfillment of the responsibilities of the position are provided. Resources delegated to the lead pastor include staff and volunteer human resources, financial resources for ministry and a personal compensation package.

#### ***Limitation of Authority***

The limitations of the lead pastor's authority are included in the Governance Manual. Without additional authority from the board the pastor may not:

- Cause the board to be in violation of any of the limitations of its authority
- Provide services to individuals and groups not included in the strategic plan.

#### ***Responsibilities***

##### **The lead pastor shall**

- Provide pastoral services for the members of the congregation and for non-members who seek pastoral services
- Lead the public worship of the congregation, including planning and conducting worship services and administration of the sacraments
- Administer ordinances of the congregation, e.g. marriages and funerals
- Assist the board with its strategic planning responsibilities and accountability processes
- Manage the work of the employed ministry staff and ministry volunteers of the congregation.
- Provide the Board with the governing information it needs for its governance responsibilities, including strategic planning, building, property, equipment and administrative needs
- Present to the Board tactical and financial plans in compliance with the approved Vision and Strategic Plan

- Act as the leader of the congregation in the operation of all programs of ministry of the congregation,
- Manage the financial resources of the congregation,

### ***Expectations***

The work expectations of the lead pastor's responsibility are described in the Strategic and Tactical Plans. They are negotiated regularly as part an annual review.

The lead pastor is also expected to:

- Treat people with the values of affirmation, involvement and servant leadership
- Attend all meetings of the board and management team
- Be familiar with the congregation's Constitution and Bylaws, the Governance Manual, the Strategic Plan and the Tactical Plans and governance and management processes
- Prepare regular reports of progress towards strategic goals, compliance with limitations and expectations policies, and risk monitoring for the board or its committees.

### ***Accountabilities***

Accountability in this relationship is mutual. The board is accountable to the lead pastor for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position. The lead pastor is accountable to the board for compliance with the limitations of authority.

The components of this working relationship shall be reviewed at pre-determined intervals at the initiation of the board and shall include a

- Review of the authorization and resources provided and values expressed to the lead pastor
- Review of the lead pastor's performance towards expectations of the strategic responsibilities of the relationship and the pastor's progress towards his personal tactical goals
- Negotiation of tactical goals and other expectations for the next planning period
- Review of the authorization and resources required for the next period, including plans for professional development.

## **GP3.3 Lead Pastor Limitations and Expectations**

### ***Limitations and Expectations***

Policies are the means by which clear Limitations of Authority and Expectations of Responsibilities negotiated with the lead pastor are communicated to him and his

respective staff. Normally, these policies shall be prepared by the Board with the involvement of the lead pastor.

The development of these policies shall be reviewed annually by the Board. They shall ensure that Limitations of Authority and Expectations of the Responsibilities of the lead pastor are added, modified or deleted in such a way that the Board remains in control of management through governance. All limitations and expectations policies shall be approved by the Board and documented in this manual. Limitations or Expectations not documented in these policies may not be assumed or implied.

The management team shall meet regularly for both management and ministry planning. The Lead pastor or his/her representative shall prepare the agenda, and guide the discussion. This team shall guide the day to day operations of the church. They shall act in accordance with the board's strategic plan and as such are accountable to the lead pastor.

### **GP3.3.1 Tactical and Financial Planning**

#### ***Limitations***

With respect to tactical and financial planning, the lead pastor may not:

- Plan for the expenditure of more operational or capital funds than are reasonably projected to be received in the year(s) included in the plans
- Enter into a loan, mortgage or overdraft agreement on behalf of the congregation

#### ***Expectations***

With respect to operational and financial planning, the lead pastor is expected to enable the Board to fulfil its fiduciary responsibilities and maintain its integrity in financial matters. Accordingly, the lead pastor is expected to create a tactical and financial plan which:

- Is complete within one month before the end of the fiscal year
- Complies with the Strategic Plan and priorities in its allocation of resources
- Contains enough detail to enable accurate monitoring, including accurate projections of income and expenditure, the separation of capital and operational items, cash flow and audit trails
- Includes a contingency plan equal to \_\_\_% of the cost of the tactical plans

### **GP3.3.2 Financial Condition - Operational Funds**

#### ***Limitations***

With respect to operating the congregation in a sound and prudent financial manner the lead pastor may not put the congregation at risk financially, or cause the Board to be in violation of its responsibilities. Accordingly he may not expend:

- More operational funds than have been received in any financial year,
- Funds on operations not included in the Strategic Plan
- Funds from reserves

### ***Expectations***

With regard to the management of the congregation's finances, the lead pastor is expected to:

- Maintain all of the congregation's accounts in a timely manner in compliance with generally accepted accounting principles
- Notify the Board in a timely manner of any financial event which could affect the financial security of the congregation
- If the financial condition violates these limitations, provide a plan for regaining compliance at the same time that the violation of limitations is reported
- Continue to comply with the Tactical and Financial Planning policy in any revision of the plans

### **GP3.3.3 Asset Protection**

#### ***Limitations***

With respect to minimizing losses of the congregation's capital assets the lead pastor may not:

- Allow the disposal of assets at less than market value,
- Sell or dispose of assets of a value in excess of \$ \_\_\_\_\_

#### ***Expectations***

Additionally, the lead pastor is expected to:

- maintain a reasonable level of property and liability insurance
- take all reasonable steps to minimize fraud, losses and liability claims
- maintain net assets above a level sufficient to meet the congregation's liabilities
- plan for the replacement of depreciating capital assets

### **GP3.3.4 Capital Expenditures**

#### ***Limitations***

With respect to proper control of capital expenditures the lead pastor may not incur capital expenditure:

- In excess of funds specifically given as restricted funds
- For items which are not required for the normal operations

- Which, while otherwise fulfilling the two forgoing, exceed \$ \_\_\_\_\_ per expenditure

***Expectations***

The lead pastor is expected to report all purchases when this policy is monitored

**GP3.3.5 Restricted or Designated Funds**

***Limitations***

With respect to the restricted funds and assets the lead pastor may not:

- Accept a restricted gift that is not supported by the Strategic Plan
- Spend restricted funds for a purpose other than that for which they were restricted.

***Expectations***

The lead pastor is expected to consult the appropriate authority before disposing of or moving restricted assets outside of the restriction before the end of its normal economic life.

**GP3.3.6 Operation of Bank Accounts**

In order that the Board may comply with responsibility regarding the operation of bank accounts the lead pastor may not open, close or amend a bank account in the name of the congregation whether or not the process for opening, closing or amending requires a copy of a resolution passed by the Board to be presented to the bank prior to the account's being opened, closed or amended.

**GP3.3.7 Treatment of Staff and Members/Volunteers**

***Limitations***

In relating to staff and volunteers the lead pastor may not:

- Impose work expectations on any staff that have not been negotiated, agreed and confirmed in writing
- Allow acceptance criteria - gender, status or competencies (knowledge, skills attitudes, motives or attributes) - to be imposed on staff or volunteers that have not been previously stated and agreed prior to selection

***Expectations***

In relating to the Board, staff, volunteers and other members, the lead pastor is expected to demonstrate the values of affirmation, involvement and servant leadership.

In relating to staff and volunteers the lead pastor is also expected to:

- Respond to staff, volunteers and other members concerns promptly
- Provide adequate financial compensation for the level of responsibility the staff person holds

## **GP4 – MONITORING AND MEASURING**

### **GP4.1 Monitoring Lead Pastor Limitations/Expectations**

The Board shall perform the monitoring of the lead pastor’s compliance with the limitations of authority and expectations of responsibility unless the monitoring is delegated to the committee in whose area the limitations of authority apply. Monitoring may be assigned to a committee and may take one or more of the following forms:

- Internal Report (written report from the lead pastor or designate)
- Internal Audit (documentation review by the Board or a committee)
- External Audit (documentation review and report by an external third party)

### **GP4.2 Monitoring Critical Success Factors**

The Board shall perform the monitoring of the critical success factors listed in the strategic plan on a quarterly or annual basis, depending on the nature of the indicators used in monitoring them. Each critical success factor may have multiple indicators. The limit of acceptable risk for each indicator shall be predetermined in negotiation with the lead pastor and recorded in Board policy here.

### **GP4.3 Monitoring Schedule**

The Board or the appropriate committee shall establish and maintain an annual schedule of this monitoring process for each of the limitations and expectations policies and critical success factors. They may be monitored monthly, quarterly or annually at the direction of the Board, depending on the nature of the limitations and expectations policies and indicators of critical success factors.

The Limitations of Authority and Expectations of Responsibility policies shall be monitored according to the following schedule:

- GP3 – 3.1 Tactical and Financial Planning- quarterly
- GP3 – 3.2 Financial Condition – Operational Funds quarterly
- GP3 – 3.3 Asset Protection – annually
- GP3 – 3.4 Capital Expenditures – quarterly
- GP3 – 3.5 Restricted and Designated Funds – annually
- GP3 – 3.6 Banking Operations – annually
- GP3 – 3.7 Treatment of Staff and Members – annually

The schedule for monitoring critical success factors shall be:

#### **GP4.4 Measuring Strategic Outcomes**

As part of its duty the Board shall measure the strategic outcomes of its efforts to fulfill its mission and priorities.

##### **GP4.4.1 Outcome Indicators**

The Board shall identify indicators of strategic outcomes that shall be the basis of setting strategic goals that are specific, measurable, achievable, relevant to the mission and priorities, and time-limited (S.M.A.R.T.).

The Indicators shall be reviewed on an annual basis and revised where necessary as part of the strategic planning process.

##### **GP4.4.2 Measuring Process**

The Board shall measure the progress toward the strategic goals on an annual basis as part of the strategic planning process. On the basis of this measurement and evaluation of strategic results the Board may make revisions to priorities and strategic goals for the following year.

#### **GP4.5 Monitoring Board Performance and Annual Relationship Reviews**

As part of its accountability process, the Board shall have its own performance reviewed and shall monitor the performance and shall complete annual relationship reviews for the lead pastor and the committees to which it has delegated authority and responsibility.

Accountability in all relationships is mutual. The source of authority is accountable to the recipient of authority for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position.

The recipient of authority is accountable to the source of authority for performance with respect to the negotiated expectations and for compliance with the limitations of authority of the position being reviewed.

The components of this working relationship shall be reviewed at pre-determined intervals at the initiation of the source of authority and shall include a:

- Review of the authorization and resources provided and values expressed by the source of authority to the recipient
- Review of the recipient's performance towards expectations of the responsibilities of the relationship including the progress towards tactical goals
- Negotiation of tactical goals and other expectations for the next planning period
- Review of the authorization and resources required for the next period, including plans for personal development.

Copies of all annual relationship reviews shall be distributed to all members of the Board.

#### **GP4.5.1 Board Governance Performance Reviews**

Since the members do not normally perform a review of their relationship with the Board, the Board shall conduct an annual review of its own performance in governance. The Board may assign this review to the Governance and Development Committee. The Board or Committee may use self-directed performance reviews annually and an external review at least once every five years.

#### **GP4.5.2 Internal Board Relationship Reviews**

The Governance and Development Committee shall lead the review of the following relationships with the Board:

- Chair, Assistant Chair and Secretary - annually
- Financial Audit Committee – annually
- Committee Chairs – annually
- Board Director – after the first year of each term of office

At least one of the reviewers shall attend one meeting of the committee being reviewed during the year under review.

#### **GP4.5.3 Governance and Development Committee/Board Relationship Review**

The Board Chair and two members of the Board who are not members of the Governance and Development Committee shall review the Governance and Development Committee/Board relationship annually.

#### **GP4.5.4 Lead Pastor/Board Relationship Review**

The annual review of the lead pastor/Board relationship shall be delegated the Governance and Development Committee and the Board Chair.

**GP4.6 Accountability to Government Authorities**

The Board shall ensure that all documents required by the government are filed in accordance with all applicable regulations.

The Board shall further ensure that Cornerstone Church complies with all the laws of the state/country in which (the organization) is registered and works.

**GP4.7 Accountability to Members**

The Board shall report fully and accurately the annual measurements of strategic results to each member of Cornerstone Church in a timely manner in its annual report.

## **Appendix A**

### **Introduction to the Relationship Model™**

#### **1.0 RELATIONSHIPS**

People live and work within relationships. Relationships are the human operating system. In order to make our lives and our work successful and fulfilling, we need to apply the natural principles of relationships by establishing the values, structures and the processes of relationships throughout our Church.

In the Relationship Model™ values, structure and processes form the basis of governance, leadership, management and service delivery. The roles of governance, leadership and management differ, but the principles that underlie them are the same. There is a continuity of design from the Board to the point where members and others find their spiritual needs met.

A successful working environment is one in which there is a balance between the fulfillment of the members in doing the work and the fulfillment of the same people and others for whom the work is done. The Church itself is like the fulcrum of a seesaw that supports the dynamics of the process of maintaining this delicate and dynamic balance of fulfillment benefiting both those who minister and those to whom they minister.

Putting emphasis on healthy relationships means investing a great deal of attention on the values, the structures and the processes that make up relationships. We have all observed that healthy and fulfilled men and women are more productive than unhealthy, dysfunctional people are.

Understanding how to build and maintain healthy working relationships is critical for successful management of human and financial resources. The basic design of relationships is disarmingly simple. Yet the application of these values, structures and processes is a lifelong experience, and a complex one at that. It is necessary to maintain a focus on the design of relationships in order to succeed at living out the Relationship Model™.

## 1.1 VALUES

Our values determine our behavior. In order to have an effective Church, similar values must be shared. When values are shared there is a built-in tendency to be able to work with the same operating system—within the same structure and with the same processes. There are many categories of values and many values in each category. The list of our values is as long as we want it to be. In the Relationship Model™ we have identified three core relational values. Together they form the foundation of successful working relationships.

### 1.1.1 Affirmation

Affirmation is fundamental to healthy and productive relationships. Affirmation is the most elemental of all values. It encourages, builds, enables, empowers and ensures the fulfillment of each individual in the Church. It encourages calculated risk. Affirmation enables mistakes to fuel a learning culture instead of a blame culture. This vital value characterizes the delegation of authority and responsibility and the entire process of accountability.

### 1.1.2 Involvement

The concept of involving people in the matters that affect them is a principle introduced by God at the time of creation. God chose to involve the first couple in the work of caring for the world into which he placed them. He also involved them in creation itself by giving them the authority and the responsibility to reproduce themselves. In the New Testament the Lord involved his disciples and each of us in the challenge of the great commission. Involvement produces a strong sense of ownership for those who have responsibility related to what they helped to shape and plan. This value sets the “hireling” apart from the real shepherd.

### 1.1.3 Servant Leadership

Servant leadership is a quality that characterizes those who are the source of authority to others in a relationship-oriented Church. Servant leadership includes such values as care concern, valuing the worth of others, service, help and the like. Servant leadership can be demonstrated by anyone who is in a position of authority in a Church. In congregations everyone has some authority. We often think of authority in a “top-down” manner. Our governing charts, which place the “highest” level of authority at the “top”, suggest the opposite of the kind of authority that supports those above. A better organizational “chart” is the image of the tree where those with the most authority support the weight of those above.

## **1.2 STRUCTURE**

### **1.2.1 Authority**

Authority, the first component of a relationship, includes authorization, money and people, information and time. Authority at any level in the Church is always limited by the person or group who is delegating authority to others. Power, when used in a positive sense, is synonymous with authority.

### **1.2.2 Limitations of Authority**

Limitations are the element of a relationship that defines the boundaries of authority and therefore the limits of our freedom in fulfilling our responsibility. Limitations are normally expressed in negative terms. A swimming pool may display a sign that says, "No diving. No running. No pushing." A sign in a restaurant may say, "No Smoking." In a Church defining limitations of authority eliminates the need for returning to the Church or the Board repeatedly for permission to act.

### **1.2.3 Responsibility**

Responsibility, the second primary component of a relationship, is the broad description of the purpose for a position within the Church. It is usually contained in the terms of reference of a group or the Relationship Description of an individual or group. Responsibility is further defined by the expectations of the responsibility.

### **1.2.4 Expectations of Responsibility**

Expectations are the adjusting components of responsibility. In a relationship-oriented Church expectations of all working relationships are negotiated, not imposed, in order to achieve a balance with the authorization and resources that are available. They are usually expressed in the form of strategic or tactical goals. The minimum quality we expect of one another and the quality to which we aspire may be expressed in standards.

### **1.2.5 Accountability**

Accountability, the third primary component, is the monitoring and measuring component of a relationship. The first role of accountability is to confirm that the authority and responsibility delegated to persons or groups are in balance with one another. The second role is to confirm that expectations of responsibility were achieved within the limitations of authority. The annual relationship review is the primary opportunity for accountability. Often given a negative connotation, accountability in The

Relationship Model™ gives an opportunity for recognition and learning as well as correction. It is a neutral concept.

### **1.3 PROCESS**

Process is particularly important, even critical to the success of any group decision-making process. In order to insure a high quality Board decision, for example, the Board does not allow any individual or small group to dominate the process. The Board takes care not to delegate its governance responsibility to individuals and small groups but rather uses individual research and ad-hoc committees to complete preparatory work that shall enable the Board to make better decisions, not to make the decisions for the Board.

The six core processes of governance are:

- Communication
- Decision-Making
- Conflict Resolution
- Strategic Planning
- Delegating Authority and Responsibility
- Monitoring and Measuring

### **1.4 PRINCIPLES**

The combination of values, structure and process may be synthesized into ten basic principles that define The Relationship Model™. Using these principles as a checklist can assist the Board to verify that the values, structures and processes used within Cornerstone Church are consistent with the Relationship Model™. The checklist can also assist the Board to identify weaknesses and to give guidance toward making adjustments that shall improve relationships and productivity.

1.4.1 A balance is maintained between the fulfillment of the spiritual needs of the members of the Church and the effectiveness of the ministry of the individuals in the Church.

1.4.2 The affirmation, involvement and servant leadership of every individual and group at every level in the Church are vital to the success of the Church.

1.4.3 Decision-making proceeds from shared values, vision and mission, not unilaterally from the Board or the lead pastor. Decisions are made as close as possible to where they are implemented.

1.4.4 Authority, responsibility and accountability are the primary components of all relationships. Limitations (of authority) and expectations (of responsibility) are the secondary components.

1.4.5 Circles of authority and responsibility are defined clearly and are maintained equal in size by placing limits on authority and/or by negotiating expectations of responsibility.

1.4.6 The Board, acting on information from all members, is responsible to the Church for governance including designing Board structure and process, strategic planning, delegating authority to the lead pastor and for measuring results.

1.4.7 The ministry and administrative staff are responsible for management, delivering services to the members in accord with stated priorities and for achieving the strategic goals within the limitations of the authorization and resources available.

1.4.8 Each individual member is responsible for creating, owning, understanding and implementing the mission of the Church.

1.4.9 The Church is results oriented. Indicators and measurements of strategic results are identified and applied. Monitoring progress towards results and monitoring compliance with limitations form an ongoing process involving the Board and the staff and volunteers.

1.4.10 Accountability is mutual. The Board is accountable to the staff for providing adequate authority and resources. The lead pastor is accountable to the Board for achieving strategic results.

## **Appendix B**

### **Definition of Terms**

**Accountability** – the third primary component of a direct working relationship. It is the positive process of monitoring progress and measuring results. *Authority* (with *Limitations*) and *Responsibility* (with *Expectations*) are the other primary (and secondary) components.

**Affirmation** – the first and most influential core value in the Relationship Model™. Affirmation is the expression of the high value we place on each individual in any circumstance. It may take the form of respect, sensitivity, compassion or forgiveness. Affirmation encourages, builds, enables, empowers and ensures the fulfillment of each individual in the organization. Our Affirmation of ourselves and others is the most significant factor influencing the structure and processes of our relationships.

**Authority** – the first component of a relationship. Authority at any level in the church is always limited by the person or group who is delegating authority to others. In the Relationship Mode the circle of authority includes authorization, resources and competencies. Power, when used in a positive sense, is synonymous with authority.

**Authoritarian** – the name given to the value system on the continuum of values related to the use of authority. With this value system “might is right” and obedience produces rewards. An authoritarian value system can result in abuse of power and harm to healthy relationships.

**Authorization** – one of three components of the circle of authority along with resources and competencies. Authorization may be thought of as having “the keys to the car.” It is delegated by the source of authority at the point of hiring and ends when the working relationship ends.

**Beneficiaries** – the groups of people whom the stakeholders through the Board choose to serve. Beneficiaries may be described by their type and by their geographical location. Direct Beneficiaries are distinguished from *Stakeholders* who are indirect beneficiaries of the mission.

**Board Chair** – a member of the Board, elected by the Board primarily to lead the process of governance. The Board Chair may also represent the church to other organizations, to the stakeholders and to the authorities. The Board Chair receives authority and responsibility from the Board and is accountable to the Board. The Chair normally has no authority or responsibility for management.

**Board Members** – Board members have been entrusted by those who elected or appointed them with the direction and governance of the church. Board members are

individually accountable to the stakeholders and governments for their personal behavior and collectively accountable to them for their governance of the church.

**Board of Directors** – the highest governing body in a church. Elected by its members, the Board receives its authority from its members and other stakeholders and the government. Responsibilities include designing and implementing its own structure and process, directing strategic priorities, delegating management authority and responsibility to the staff and determining results by measuring and monitoring.

**Bylaws** – the official document stating the relationship among the members of a Church and between the members of the *Organization* and its *Board*. *The Bylaws* may be changed only by action of the members and forms the basis of the *Governance Manual*.

**Charity** – a charitable organization or church, sometimes called a non-profit organization. A charity exists by the authority and support of its stakeholders and the authority of the government of the country in which it is based.

**Circle of Authority** – see *Authority*.

**Circle of Responsibility** – see *Responsibility*.

**Committee** – a group designated by the Board to assist the Board with the development of governance policies and with monitoring the lead pastor compliance with the limitations policies of the Board. Committees have a singular responsibility to assist with governance and have no responsibility for management except by special authorization from the Board.

**Competencies** – the underlying characteristics of people that make them successful at certain tasks. Competencies include skill, knowledge, experience, values, attitudes, and self-perception.

**Consensus** – an official form of decision-making in which the Board agrees without a vote on a decision or a course of action. Consensus may be recorded in the minutes with the words “It was agreed...” Consensus may be unanimous, if every Board member agrees with the decision. Consensus also exists when some Board members agree with the decision while others prefer a different decision but express a willingness to support the decision of the majority or plurality. Consensus is not achieved when one or more *Board members* do not agree to support the decision of the majority or plurality. In this case the decision-making process must default to a vote by the *Board members* present.

**Critical Success Factors** – the factors that the Board determines are critical to the success of achieving the Mission of the church. These form the final component of the

Strategic Plan and form a bridge between the strategic and the tactical (governance and management) functions. The lead pastor is expected to address the Critical Success Factors in the Tactical Plans, enabling the Board to express monitor the lead pastor's management of risk without becoming involved in managing as a Board function.

**Expectations** – one of two secondary components of a relationship. Expectations are associated with responsibilities and are usually expressed in the form of goals. The quality of expectations may be expressed as minimum standards and standards to which we aspire.

**Forgiveness** - is the expression of affirmation in a relationship that has become broken. It allows us to accept the offending party even though there is no hope of return of what was taken by the offending party: money, health, reputation, life. Forgiveness sets the forgiving person free from hate and the need for retaliation.

**Goals** – an expression of the expectations of responsibility. Goals may be strategic or tactical and are always negotiated by the source and the recipient of delegated authority to assure the balance between authority and responsibility. S.M.A.R.T. Goals are **s**pecific, **m**easurable, **a**chievable, **r**elevant to the mission and priorities and **t**ime-limited.

**Governance** – the process by which a Board maintains control of its responsibility. Governance involves designing Board structure and process, directing strategic priorities, delegating authority and responsibility and measuring and monitoring results. Governance is a more effective method of control than management for larger and more complex churches. The Board is accountable to the stakeholders for achieving strategic results and to the appropriate government agency or department for remaining within the limitations of law.

**Governance Manual** – the name of the manual that describes the values, structure and process of governance for a church. This manual is within the authority given to the Board by its members to approve and revise as necessary.

**Healthy Relationship** – a working relationship is healthy when a balance exists between the authorization, resources and competencies on the one hand and the expectations expressed in goals and standards on the other. In the case of an entire church, the relationship between the staff and the clients is healthy when client satisfaction (productivity) and staff fulfillment (satisfaction) are in balance.

**Involvement** – the second core value in the Relationship Model™. Involvement allows people the freedom of expression of ideas, thoughts and feelings about all matters that

affect them. Involvement produces a sense of ownership for those who have *Responsibility* related to what they helped to shape and plan. It is directly related to the degree of *Accountability* people accept for their work.

**Justice** - is the acknowledgement by the offending party, or a third party with authority in the matter, of the wrong that was committed. Justice includes a fair compensation for what can be repaid. Repayment can take one or more forms of: acknowledgment, apology, amends, restitution, fine imprisonment or capital punishment.

**Laissez-faire** – the name given to a value system on the continuum of values related to the use of authority in a church where conflict tends to be avoided or denied. To varying degrees, this value system exhibits lack of clarity on roles and responsibilities. Traditions and assumptions are more common than policies and goals. In its extreme form, *laissez-faire* is identified by a complete abdication of authority.

**Leadership** – the process of enabling individuals and groups to express their values, realize their potential for service and personal fulfillment. Leadership is characterized by being affirming, involving and supporting. All individuals in the church have an opportunity to provide leadership to others.

**Limitations** – the limiting and defining element of delegated authority. Limitations are normally expressed in negative terms to create the Circle of Authority, which defines clearly our freedom in fulfilling our responsibility. Defining limitations to authority eliminates the need for returning to the source of authority repeatedly for permission to act.

**Management** – the process by which the staff transforms the strategic direction of the Board into services and programs that benefit the stakeholders. Management works within the defined Circle of Authority to fulfill the expectations of its Circle of Responsibility and is accountable to the Board both for strategic results and for remaining within the limitations of authority.

**Minutes** – the official record of the Board, containing the result of the governance process in the form of policies and strategic decisions, as well as exceptional management decisions. The Board minutes are the only way the Board communicates its decisions and directions to the staff through the Executive Director.

**Mission** – a term given to the statement that contains the core reason for the church's existence.

**Model** – a design that provides the framework for a Board and the lead pastor to develop the structure and process (form and function) of governance and management for the church to fulfill its Mission.

**Lead pastor** – the spiritual leader and Chief Executive Officer of the church, called by the Congregation primarily to provide spiritual leadership, to lead the process of managing the infrastructure, including strategic planning and achieving the strategic goals within the limits of the authority delegated by the Board. Having accepted the call the lead pastor receives authority and responsibility from the Board and is accountable to the Board. The lead pastor has no authority or responsibility for governance and is not a member of the Board.

**Policies** – Policies are the expression of the Board decision-making process. There are four types of policies:

1. Board structure and process
2. Strategic direction,
3. Delegating authority and responsibility to the lead pastor
4. Board accountability (monitoring and measuring).

**Process** – the third element of a direct working relationship. The six core processes of a working relationship are: Communication, Decision-making, Conflict-resolution, Planning, Delegating and Accountability (Monitoring and Measuring)

**Recipient of Authority** – a term that designates the flow of *Authority* in a working relationship. The phrase is distinguished from the *Source of Authority* who delegates *Authority* and *Responsibility* to the Recipient of Authority and to whom the Recipient of Authority is accountable.

**Reconciliation** - is the restoration of a broken relationship which can only be achieved after forgiveness, justice and repentance have been experienced by both parties in the broken relationship. It is the weld that unites brokenness.

**Relationship Model** – a name describing a model focusing on the values, structure, and processes of relationships in a church. Usually used to distinguish from an authoritarian structure, a relationship-centered structure is based on the three core values of affirmation, involvement and support. The three core components of a relationship are authority, responsibility and accountability. Secondary elements of The Relationship Model are limitations of authority and expectations of responsibility. The model is realized through the processes of governance, leadership, management and service delivery.

**Repentance & Amends** - are the willing expressions of an offending party to "right the wrong". It may take the form of an apology, public acknowledgement, financial compensation, time. These expressions may precede or follow forgiveness.

**Resources** – the second of three components of the *Circle of Authority*. Resources may be human and financial resources, information or time. See also *Authorization* and *Competencies*, the other two components of the *Circle of Authority*.

**Responsibility** – the second component of a relationship. Responsibilities within a church are typically described in a committee Terms of Reference or an individual job description. Responsibility is further defined by expectations of the responsibility.

**Servant Leadership** – the third core value in the Relationship Model™. Servant Leadership is the power of being lifted up by the *Source of Authority* instead of being put down. Servant Leadership seeks the well-being and fulfillment of the *Recipient of Authority* as an end in itself, not merely as a means to the end of greater productivity or client satisfaction.

**Services** – the term used to describe the strategic services that an *Organization* offers in order to meet the needs of its *Target Groups*. The Services are delivered through Programs that the *Executive Director* and the staff develop to deliver them effectively and efficiently.

**S.M.A.R.T.** – an acronym describing the five characteristics of a goal. A S.M.A.R.T goal (strategic or tactical) is Specific, Measurable, Achievable, Relevant to the Mission and Time-limited.

**Source of Authority** – a term that describes the flow of *Authority* in a working relationship. Intended to replace the term “boss” which reflects an Authoritarian value system, *Authority* and *Responsibility* flow from the Source of Authority to the *Recipient of Authority*. *Accountability* flows in the opposite direction, back to the Source of Authority

**Stakeholders** – individuals and groups who have a “stake” in the church, similar to the shareholders in a for-profit corporation. In a charity they include the donors, members, strategic partners and the clients of the church. Stakeholders are the “owners” of the charity. The Board consults the individuals within these groups for strategic direction and is accountable to them for the strategic results of the charity.

**Strategic** – describes the focus of the Board’s responsibility, the “what” of a church by defining the values, beneficiaries and the needs to be addressed, vision for the future,

purpose and priorities and allocation of funds. The result of all the Board's strategic direction to the staff is contained in the Strategic Plan of the church.

**Strategic Outcomes** - benefits or changes experienced by the *Target Groups* (individuals, populations or communities) that are delivered by the services of the organization. They are broad-based statements that describe a changed state in behavior, skills, knowledge, attitudes, values, condition and/or other attributes. Strategic Outcomes contribute to the realization of the organization's *Vision*. They are also known as strategic benefits or strategic results.

**Structure** – the second element of a direct working relationship. Structure includes five components: *Authority, Limitations of Authority, Responsibility, Expectations of Responsibility and Accountability*.

**Tactical** – describes the focus of management responsibility, the “how” of a church, including the development and management of programs for delivering the services directed by the Board, the process of budgeting and financial management and the management of staff and volunteers.

**Values** – a complex set of convictions held by the members of a church. Values include many levels: core beliefs and personal values, interpersonal relationship values and organizational values. People display their values by their behavior.

**Vision** – a futuristic and idealistic view of what can result from realizing the mission of the church. A vision stays just beyond the strategic planning horizon, drawing, encouraging and challenging the church towards its potential. The focus is on the difference that the church will make in the world, not on the church itself.