

# Bethany Community Church St. Catharines, Ontario

## Board of Overseers Governance Manual



September 2009

# Bethany Community Church Governance Manual

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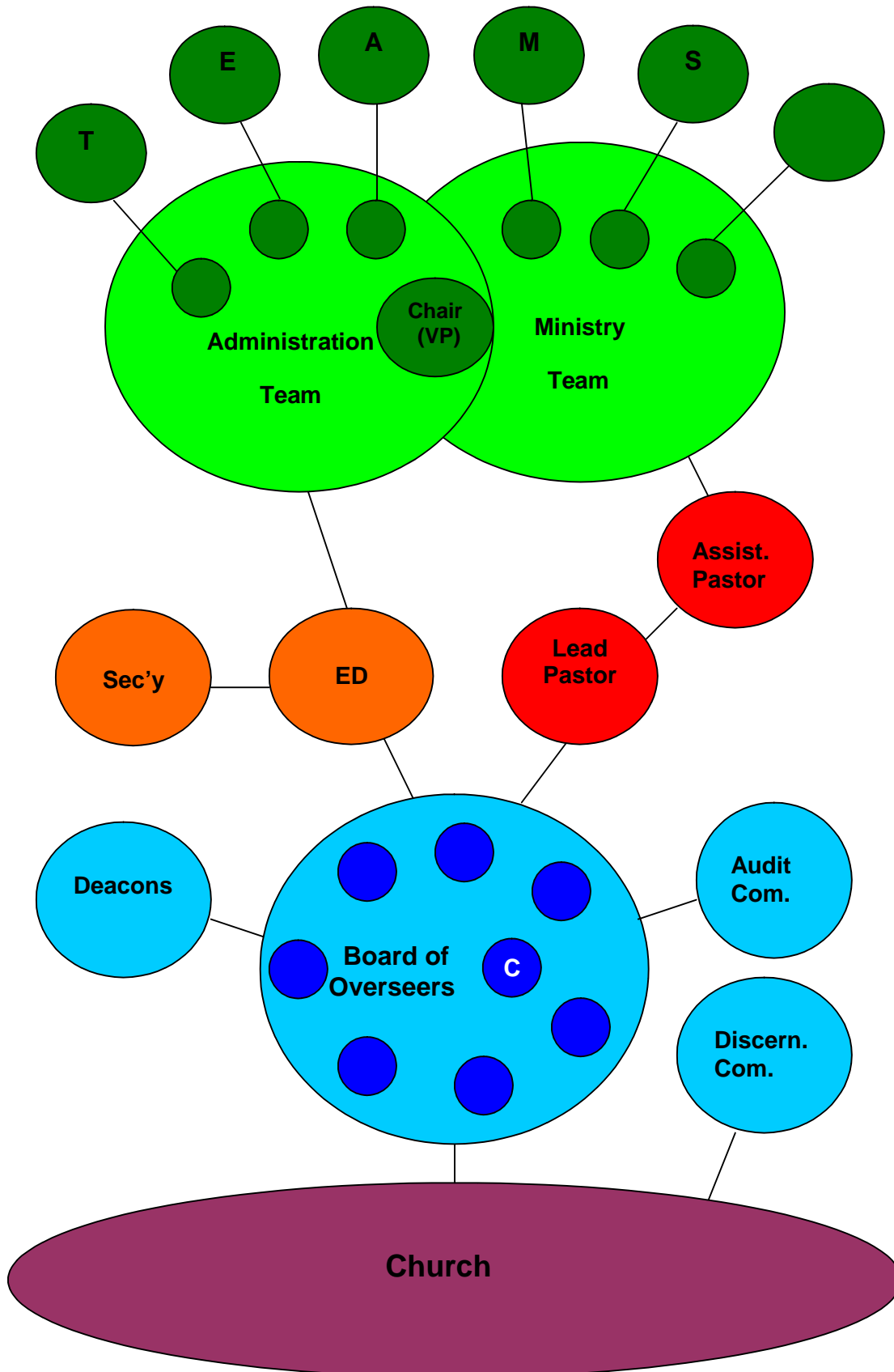
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# GS BOARD OF OVERSEERS STRUCTURE

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## **GS – 2 ROLES**

### **GS – 2.1 Role of the Church**

The Church is free under God to form Bethany Community Church in order to give glory to God and to share in the Lord's Great Commission. This Church shall operate in accordance with its own constitution, owning its own property, making decisions in regard to its programming, calling its Pastor(s) and retaining authority in all other matters in its constitution or by subsequent policies.

The authority of the Church shall be vested in the Meetings of Members. All authority for ministry and administration originates with the Church and is delegated to the Board of Overseers and through the Board to the Pastor and Executive Director and then to the staff and volunteers of the Church.

### **GS – 2.2 Role of the Board of Overseers**

The role of the Board of Overseers is to represent all beneficiaries of Bethany Community Church in determining and ensuring appropriate organizational performance and that everything is done in accordance with the Word of God and the faith and practice of the Church. The Board of Overseers shall exercise such authority as is delegated to it by the constitution, the By-laws and the resolutions of the Church.

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

It defines church-wide policies and provides spiritual leadership and vision to the entire church. They are the visible, encouraging group that sets and maintains a strong positive atmosphere for the church.

The main focus of the Board of Overseers is on strategic planning. The basic strategic question for the Board of Bethany Community Church to answer is, "What services shall Bethany Community Church deliver to which people in what places and in what order of priority?"

Measuring strategic results achieved by the ministry and administrative staff, satisfying regulatory accountability of the Church and fulfilling the Board's responsibility to the Church shall complete the Board's role in governance.

### **GS – 2.3 Role of the Chairperson**

The chairperson shall preside at all meetings of the Board of Overseers and of all Members Meetings.

The chairperson assures the integrity of the Board's process and represents the Board as required. The role of the chairperson is to lead the process of decision-making. The chairperson shall be objective and impartial and shall not lead the discussion to a predetermined conclusion. The chairperson shall not make or second a motion, speak for or against a motion or vote on a motion, except in the event of an equality of votes.

For any agenda item where he/she wishes to express a personal opinion and vote, the chairperson may defer to the vice chairperson before the agenda item begins. In such cases the chairperson shall not lead any portion of the decision-making process.

The chairperson ensures that each Board member has ample opportunity to give an expression of his/her own opinion and shall ensure that no Board member dominates the discussion or demonstrates inappropriate behavior.

The vice chairperson also follows these same principles of leadership in the decision-making process.

### **GS – 2.4 Role of the Vice-Chairperson**

The vice-chairperson shall preside at the meetings of the Board of Overseers and of the Members Meetings in the absence of the chairperson.

### **GS – 2.5 Role of the Individual Board Member**

The Board expects positive and active participation of its individual members in the process of governance to ensure that it fulfills its moral and legal obligations.

Board members study information and decision-making materials, participate in discussions and debate, and share in the decision-making process of voting.

Individual Board members have no authority to act on behalf of Bethany Community Church as individuals except by specific delegation from the Board of Overseers.

## **GS – 2.6 Role of the Secretary**

The secretary shall be responsible for the integrity of Board documents. By affixing his/her signature to such documents, the secretary shall attest formally to the documents' legitimacy. He/she shall keep the minutes of the Board of Overseers and of the Church in a volume provided by the Church.

The secretary shall prepare all official correspondence relative to the business of the Board. The secretary shall also be responsible to the Board for reporting on and noting any inconsistencies in Board procedural actions.

## **GS – 2.7 Role of Committees**

The Board shall establish committees to help it in carrying out its governance responsibilities only when deemed appropriate. To preserve board integrity, committees will be used sparingly and will not interfere with delegation from the Board to the Pastor or Executive Director.

Accordingly:

1. Board committees are to help the Board do its job. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Pastor or Executive Director.
3. Board committees cannot exercise authority over staff. Because the Pastor and Executive Director work for the full board, they will not be expected to obtain approval of a Board committee before an executive action.
4. This policy applies to any group, which is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed by the authority of the Lead Pastor or the Executive Director.
5. Committees may assist the board in identifying indicators by which strategic results can be measured.

## **GS – 3 RELATIONSHIP DESCRIPTIONS**

### **GS – 3.1 The Board of Overseers/Church Relationship Description**

#### **1. AUTHORITY**

The source of all the Board of Overseers' strategic/operational authority is the Church. The Church shall provide the resources required for the Board of Overseers to fulfill its responsibilities. The Board is authorized to fill vacancies on the Board by appointment and affirmed at the next Annual General Meeting.

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

The source of ecclesiastical authority is the Evangelical Missionary Church of Canada.

The Board of Overseers may appoint committees, work groups, task forces or other groups whose members will hold their offices at the will of the Board of Overseers.

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

In exercising its strategic/operational authority, the Board may not cause or allow the Church to be in violation of the constitution and By-laws of Bethany Community Church.

In exercising its ecclesiastical authority, the Board may not violate the regulations and theological position of Bethany Community Church or the Evangelical Missionary Church of Canada.

In exercising its moral authority and its legal and regulatory authority, the Board may not cause the Church to be in violation of civil laws.

In exercising its authority, the Board of Overseers shall serve without remuneration and no member shall directly receive any profit from his/her position nor any direct remuneration from the Church, except for reasonable expenses incurred in the performance of his/her duties.

### **3. RESPONSIBILITIES**

The Board of Overseers shall be responsible, through governance, for the overall management, administrative and temporal affairs of the Church and shall enter into any kind of contract which the Church may lawfully enter into, and generally may exercise such other powers and do such other acts and things as the Church by its Letters Patent, the Act, or as otherwise authorized to do.

The responsibilities of governance of the Board of Overseers are to:

- Design the Board's structure and governance processes to direct, control and inspire the Church through careful deliberation and establishment of policies
- Provide strategic leadership by determining the Church's values, beneficiaries and services, vision, mission and priorities
- Delegate management authority and responsibility to the Pastor and Executive Director
- Be accountable for strategic results and to ensure that the Church and each individual in it act within all the limitations of delegated authority
- The Board shall annually recommend the appointment of an auditor at the Annual General Meeting of members

### **4. EXPECTATIONS**

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

In fulfilling its strategic and operational responsibility the Board of Overseers 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 Church the life that is worthy of the high calling in Christ
- Ensure compliance with Board policies and with relevant regulations and statutes
- Affirm Bethany Community Church's Statement of Faith
- Arrange for pastoral service during the sickness or absence of the Pastor in accordance with the Succession Plan for the Lead Pastor.
- Ensure that the annual budget includes adequate support for the church at large
- Define Church-wide policies and provide spiritual leadership and vision to the entire Church

- Establish and maintain an effective link between the Church and its beneficiaries and encourage support for the work of the church at large
- Enable the Church to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever, for the purpose of furthering the objects of the Church
- Review and monitor its own performance at each meeting
- Monitor the expenditure of Church funds in general in accordance with the approved annual budget
- Represent all beneficiaries of Bethany Community Church in determining and ensuring appropriate organizational performance

## **5. ACCOUNTABILITIES**

The Board is accountable morally and legally to Bethany Community Church and exists to act on behalf of all people who attend Bethany Community Church and anyone else that is affected by its decisions, including the municipal/regional, provincial and federal governments.

The Board's accountability will be exercised by the submission of required documentation to civil authorities and by clear and true reporting to the Church and the members of Bethany Community Church.

The board is accountable to the Church according to the policies that guide and direct its governance behaviour.

## **GS – 3.2 Chairperson/Board of Overseers Relationship Description**

### **1. AUTHORITY**

The chairperson shall be elected from among members of the Board.

The chairperson is authorized by the Board to provide the leadership of the process of governance and by the constitution to preside at all meetings of the Church.

The chairperson is authorized to make decisions that fall within topics covered by Board policies on Governance Process and Board/Staff relationships.

The Board Chairperson (or in his/her absence a designate appointed by the Board of Overseers by Resolution) shall act as Chairperson of all Members Meetings.

The Church shall provide the chairperson with the material resources required for that process.

The chairperson is authorized to be an *ex officio* member of all Board committees.

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

In the fulfillment of the responsibilities of this position the chairperson may not:

- Take any action not authorized by the Church
- Direct the governance decision-making process towards any specific outcome
- Cause or allow any violations of provincial or federal laws or the By-laws of the Church
- Prevent any proposal from any member of the Board from being presented at the next meeting
- Cast a vote at Board meetings or Meetings of Members except when a deciding vote is necessary
- Make decisions about policies created by the Board within the Limitations of Authority and Expectations of Responsibility policy areas. Therefore, the chairperson has no authority to supervise or direct the Pastor or Executive Director or their staff.

### **3. RESPONSIBILITIES**

The responsibilities of the chairperson are to:

- Lead the governance process of the Church and the Board of Overseers including the preparation of meeting agendas, ensuring the flow of relevant governance information, and chairing the meetings of the Church and Board
- Lead the process of designing and maintaining Board structure and process
- Lead in the process of delegating authority and responsibility to the Pastor and Executive Director
- Lead in the process of the Board's accountability including an evaluation of the strategic results and the annual review of the performance of Board members
- Represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within his/her area of authority
- Act as the official spokesperson of the Church to the media and the public
- Lead the orientation process for new Board members including the use of the Constitution, By-laws, Governance Manual and Strategic Plan.

### **4. EXPECTATIONS**

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

- Calling all meetings of the Board of Overseers and the Church and presiding at all such meetings as the Chairperson to the greatest extent possible
- Preparing an agenda for each Members Meetings and the Board of Overseers
- The flow of all relevant governance information to the members of the Church and the Board
- Attendance at worship regularly and frequently
- Ensuring the Board behaves consistently with its own rules and coordinates and directs the works of the Board
- Ensuring that the process of strategic leadership is initiated and continued
- Ensuring that all decisions are documented accurately in minutes, policies and other documents
- Ensuring that the requirements of the Church's accountability to the municipal/regional, provincial and federal government are met
- Ensuring that the Governance Manual reflects current practice

- Assurance that all directives and resolutions of the Board of Overseers are carried into effect
- Ensuring the fairness, objectivity and completeness of matters occurring at all meetings
- Acting as chairperson at the Annual General Meeting or any special meetings of the members

## **5. ACCOUNTABILITIES**

Accountabilities in this relationship are mutual. The Board of Overseers is accountable to the chairperson for:

- Providing all the authorization and resources required for the responsibilities of the position
- Negotiating reasonable expectations of the chairperson's responsibility
- Expressing affirmation, involvement and servant leadership in its relationship with the chairperson

The chairperson is accountable to the Board.

## **GS – 3.3 Vice Chairperson/Board of Overseers Relationship Description**

### **1. AUTHORITY**

The vice chairperson receives his/her authority by the election of the Board of Overseers.

While serving as acting Board chairperson, the vice chairperson shall function within the Board of Overseers' Chairperson/Board Relationship Description.

The vice chairperson may become the acting Board chairperson at the request of the Board's chairperson or the Board itself.

The duration of service as acting Board's chairperson shall be determined at the time of the appointment.

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

While serving as acting Board's chairperson the vice chairperson is subject to the Limitations of Authority for the Board of Director's chairperson.

### **3. RESPONSIBILITIES**

While serving as acting Board of Overseers' chairperson the vice chairperson carries the responsibilities of the Board chairperson.

When not serving as acting Board of Overseers' chairperson, the vice chairperson shall assist and support the Board's chairperson in accomplishing his/her tasks.

### **4. EXPECTATIONS**

While serving as acting Board of Overseers' chairperson, the expectations to the vice chairperson are as for the Board's chairperson.

### **5. ACCOUNTABILITIES**

While serving as acting Board of Overseers' chairperson, the accountabilities for the vice chairperson are as for the Board's chairperson.

## **GS – 3.4 Board Member/Board of Overseers Relationship Description**

### **1. AUTHORITY**

Each member of the Board of Overseers is authorized by virtue of his/her affirmation to the Board by the Church. Once affirmed, the source of authority is the Board.

The Board shall cover any costs related to Board meetings, materials and resources for orientation and training.

The criteria for Board members will be as follows:

#### The Person

- a. Must be an active member in good standing;
- b. Must be a good steward;
- c. Must be eighteen years of age or older;
- d. Must be in full agreement with the Church Constitution;
- e. Must have the power under law to contract;

- f. Must participate in Bethany Community Church in a consistent and meaningful manner;
- g. Must affirm Bethany Community Church's Statement of Faith, Vision, Values, Mission and Strategic Goals;
- h. Must be suitable and willing to work within the Relationship / Governance Model which requires a particular kind of discipline and outlook;
  - Ability to think about the Church's long-term future
  - Ability to deal with abstract, qualitative ideas
- i. Must live a life that is consistent with Biblical principles.

## **2. LIMITATIONS OF AUTHORITY**

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

- Attempt to exercise individual authority over the Church except as explicitly set forth in Board policies and By-laws of the Church
- Interact with the public, press or other entities or speak for the Board except to repeat explicitly-stated Board decisions
- Engage in any self-dealing or conduct of private business or personal services with the Church
- Enter into any legal or financial agreement on behalf of the Church
- Give direction to the Pastor, Executive Director or any staff member of the Church

## **3. RESPONSIBILITIES**

The responsibility of each Board member is to:

- Participate productively in the governance process of the Board
- Share in the responsibilities of the Board
- Represent accurately and support the official positions and decisions of the Board when interacting with members.

## **4. EXPECTATIONS**

Each Board member is expected to:

- Demonstrate his/her support for Bethany Community Church by making every effort to satisfy the initial criteria used in appointing Board members
- Participate in an orientation program in the Relationship Model and the By-laws, Governance Manual and Strategic Plan of Bethany Community Church

- Prepare for Board and Committee meetings and to participate productively in discussions and the decision-making process, always within the boundaries of discipline established by the Board
- Attend and be punctual at all Board of Overseers' meetings and meeting of committees of which he/she is a member or to indicate to the Board or Committee chairperson the reason for his/her inability to attend
- Display personal conduct that reflects the values of the Church and represent loyalty without conflict to the interests of Bethany Community Church and its beneficiaries
- Attend worship regularly and frequently
- Support the work of the pastoral and administrative staff, and the Church
- Participate in the annual retreat

## **5. ACCOUNTABILITIES**

Accountability in this relationship is mutual. The Board of Overseers 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.

The Board member is accountable to the Board of Overseers.

### **GS – 3.5 Board Secretary/Board of Overseers Relationship Description**

#### **1. AUTHORITY**

The Board secretary shall be elected from among the members of the Board of Overseers.

The Board secretary is authorized by the Board of Overseers to record the actions, votes and decisions of the Board in its official Minutes Book.

The Board of Overseers shall provide the Board secretary with the material and resources required for that process, including the authorization to appoint or employ a recording secretary for the purpose of taking minutes during the Board meetings.

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

In the fulfillment of the responsibilities of this position, the Board secretary may not:

- Record any action or decision not authorized by the Board
- Give management direction to the Pastor or Executive Director
- Cause the Board to be in violation of the limitations of its authority.

### **3. RESPONSIBILITIES**

The responsibilities of the Board secretary are to:

- Supervise the recording of minutes, notes and action lists at Board meetings
- Distribute minutes, documents and notices of meetings to the Board of Overseers in a timely manner
- Note and report on any inconsistencies in Board procedural actions.

### **4. EXPECTATIONS**

The expectations of this position shall include:

- Preparation for and attendance at every meeting of the Board of Overseers and Members Meetings
- Attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose
- Timely flow of all relevant information to the Board members, including Board minutes and changes to the documents of the Board
- Ensure that all decisions are documented accurately in minutes, policies and other documents
- Ensure that the Board of Overseers' expectations of the Board secretary are fulfilled.

### **5. ACCOUNTABILITIES**

Accountability in this relationship is mutual. The Board of Overseers is accountable to the secretary for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position.

The secretary is accountable to the Board of Overseers.

## **GS – 3.6 Committee Chair/Board of Overseers Relationship Description**

### **1. AUTHORITY**

The chair of the committee or any such group that is established by the Board receives his/her authority by the election of the Board of Overseers. The chair is authorized by the board to provide the leadership of the committee or group process.

The Board shall provide the chair with the material resources required for the process.

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

In fulfilling the responsibilities of this position, the committee chair may not:

- Speak or act for the Board except when formally given such authority for specific and time-limited purposes.
- Give management direction to the Pastor, Executive Director or their staff
- Direct the decision-making process towards any specific outcome
- Cause or allow the committee or group to be in violation of the limitations of its authority.

### **3. RESPONSIBILITIES**

The responsibilities of the committee chair are to:

- Lead the committee in assisting the board in preparing policy alternatives and implications for Board deliberation
- Lead the committee process, including the preparation of the agenda and chairing the meetings
- Ensure that all decisions are documented accurately in minutes, policies and other documents
- Ensure that the Board's expectations of the committee are fulfilled.

### **4. EXPECTATIONS**

The expectations of this position shall include:

- Preparation for and attendance at every meeting of the committee
- Flow of all relevant information to the committee members
- Conduct that is consistent with the values of the Church
- Preservation of the Board's integrity

## **5. ACCOUNTABILITIES**

Accountability in this relationship is mutual. The Board of Overseers is accountable to the committee chair for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position.

The committee chair is accountable to the Board of Overseers.

### **GS – 3.7 Audit & Finance Committee/Board of Overseers Relationship Description**

#### **1. AUTHORITY**

The Audit & Finance Committee receives its authority from the Board of Overseers to fulfill its responsibilities. The Board shall appoint members of the Committee as it desires.

The Audit & Finance Committee has the authority, subject to approval by the Board of Overseers, to establish policies, monitor compliance and submit reports and present policy alternatives to the Board.

Membership of the Audit & Finance Committee shall consist of four (4) members. At least half of the members should be full-standing members of the Board of Overseers.

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

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

- Manage the day-to-day operations of the Church
- Give management direction to the Pastor, Executive Director or their 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.

### **3. RESPONSIBILITIES**

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

- Review the Pastor's and Executive Director's financial limitations policies and recommend changes to the Board of Overseers
- Monitor financial limitations policies in accordance with the monitoring schedule and report these to the Board
- Receive action plans from the Pastor and Executive Director when financial limitations policies are violated and report significant violations to the Board
- Audit the financial accounts of the Church annually or recommend external auditors and their remuneration to the Board
- Present policy alternatives for change and improvement to the Board regarding the financial management by the Pastor and Executive Director.

### **4. EXPECTATIONS**

The Committee shall report to the board as frequently as is necessary in order to carry out its general mandate and specific responsibilities.

The committee shall ensure appropriate policies and procedures are developed and are in compliance to safeguard the financial health and integrity of Bethany Community Church.

The overall membership of the Committee, including the chair, is to be adjusted no more frequently than once annually and no less frequently than once every two years.

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

The Committee shall provide copies of the financial limitations policy monitoring reports to the Board at least three days prior to its next meeting.

### **5. ACCOUNTABILITIES**

The Committee shall report the to the Board of Overseers on a regular basis and provide the with:

- Dates of meetings and committee member attendance
- Summary of financial policy recommendations when applicable

The Board and the Committee shall confirm or renegotiate the relationship description as needed

## **GS – 3.8 Discernment Committee/Board of Overseers Relationship Description**

### **1. AUTHORITY**

The Discernment Committee receives its authority from the members by affirmation to invite qualified persons to serve on the Board of Overseers and as Deacons, Discernment Committee Members, and Delegates to the EMCC Assembly.

There shall be a Discernment Committee consisting of three (4) members of the Church, affirmed by the Church annually.

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

The Committee may not invite any persons to fill vacancies on the Board who do not meet the criteria stated in GS – 3.4 Board Member/Board of Overseers Relationship Description nor Deacons as stated in GS - 3.9.4.

### **3. RESPONSIBILITY**

The Discernment Committee shall solicit names, qualify and invite persons to serve as Overseers, Deacons, Discernment Committee Members, and EMCC General Assembly delegates.

The Discernment Committee shall operate as outlined in the “Discernment Team Role & Procedures” document.

### **4. EXPECTATIONS**

The Committee is expected to:

- Endeavour to represent the diversity of Bethany Community Church in their recommendations.
- Solicit suggestions for nominations and receive board approval or disapproval before qualifying the candidates and inviting them to serve.

## **5. ACCOUNTABILITY**

The Board of Overseers 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 of Overseers for:

- Fulfilling its responsibility within the time expected
- Providing a final report to the Board of Overseers at the conclusion of its mandate.

### **GS – 3.9 Deacons/Board of Overseers Relationship Description**

#### **1. AUTHORITY**

The Deacons receive their authority from the members of Bethany Community Church to fulfill their responsibilities. The Deacons shall be elected for a three year term by the members of the Bethany Community Church at the Annual General Meeting. One third of the Deacons shall be affirmed annually.

The Deacons have the authority, subject to approval by the Board of Overseers, to establish policies, monitor compliance and submit reports and present policy alternatives to the Board.

Membership of the Deacons shall consist of up but not exceed fifteen members.

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

Advising the Board on matters related to the service of the Deacons, they may not without additional authorization by the Board of Overseers:

- i) Deacons will normally not have direct dealings with current staff operations;
- ii) Expectations and authority will not conflict with authority delegated to the Pastor or Executive Director;
- iii) Deacons will not:
  - a. Attempt to exercise individual authority over the Church;
  - b. Interact with the public, press or other entities;
  - c. Engage in any self-dealing or conduct of private business or personal services with the Church;

- d. Give direction to the Pastor, Executive Director or any staff member of the Church.

### **3. RESPONSIBILITIES**

- i) As delegated by the Board of Overseers or the Lead Pastor
- ii) Provide counsel to the Lead Pastor and Board of Overseers as needed
- iii) Exemplify for the Church the life that is worthy of the high calling in Christ
- iv) Support the Board of Overseers by providing spiritual leadership
- v) Encourage support for the work of the church at large
- vi) To interview and recommend for approval those seeking membership in Bethany Community Church and report the information to the Board of Overseers through the Lead Pastor
- vii) The Deacons or Bethany Community Church management team may recommend to the Board of Overseers that names of members be removed from the membership role. Each recommendation should state the reason/s for removal. The members will be notified of the decision of the Board as directed by the lead Pastor
- viii) To prepare for and administer communion
- ix) To prepare and assist with baptism
- x) To oversee the prayer ministries of the church.

### **4. CRITERIA FOR DEACONS**

- i) Must live a life that is consistent with Biblical principles
- ii) Must be an active member in good standing
- iii) Must be a good steward
- iv) Must be eighteen years of age or older
- v) Must be in full agreement with the Church Constitution
- vi) Must participate in Bethany Community Church in a consistent and meaningful manner
- vii) Must affirm Bethany Community Church's Statement of Faith, Vision, Values, Mission and Strategic Goals
- viii) Must be suitable and willing to work within the Relationship Model which requires a particular kind of discipline and outlook.

## **5. EXPECTATIONS**

The Deacons shall report to the board as frequently as is necessary in order to carry out its general mandate and specific responsibilities.

The expectation of each Deacon is to:

- i) Share in the responsibilities of the Deacons
- ii) Represent accurately and support the official positions and decisions of the Deacons when interacting with members
- iii) Demonstrated his/her support for Bethany Community Church by making every effort to satisfy the initial criteria used in appointing Deacons
- iv) Participate in an orientation program
- v) Prepare for Deacons meetings and to participate productively in discussions and the decision-making process, always within the boundaries of discipline established by the Deacons
- vi) Attend and be punctual at all Deacons meetings or to indicate to the Chairperson the reason for his/her inability to attend
- vii) Display personal conduct that reflects the values of the Church and represent loyalty without conflict to the interests of Bethany Community Church and its beneficiaries
- viii) Attend worship regularly and frequently
- ix) Support the work of the pastoral and administrative staff and the Church

## **6. ACCOUNTABILITIES**

- i) The Deacons are accountable morally and legally to Bethany Community Church and exist to act on behalf of all people who attend Bethany Community Church and anyone else that is affected by their decisions
- ii) The Deacon's accountability will be exercised by the submission of clear and true reporting to the Board of Overseers through the Lead Pastor.

The Board and the Committee shall confirm or renegotiate the relationship description periodically.

## **GP GOVERNANCE PROCESSES**

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

### **GP1 – BOARD OF OVERSEERS PROCESSES**

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

#### **GP1 – 1 Board Values and Model**

The Board shall govern with an emphasis on

1. Biblically-based integrity and truthfulness in all methods and practices
2. Healthy relationships
3. Visionary leadership rather than administrative detail
4. Clear distinction between governance and management
5. Collective rather than individual decisions
6. Future rather than past or present
7. Proactivity rather than reactivity

The Board shall:

1. Be accountable to Jesus Christ, who is the Head of the Church, and to Bethany Community Church.
2. Affirm Bethany Community Church’s Statement of Faith.
3. Focus chiefly on the strategic results of providing services for our beneficiaries, not on the administrative means of attaining those results.
4. Direct, control, and inspire the church through governance. We shall use the Relationship Model™ of governance summarized in Appendix A. The foundation of our governance will be to seek a balance of effective ministry and personal fulfillment for everyone involved. Our focus will be on designing and maintaining healthy relationships that are marked by affirmation, involvement and servant leadership.

## GP1 – 2 Overseers Code of Conduct

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

Accordingly:

1. Members must represent loyalty without conflict to the interests of Bethany Community Church and its beneficiaries. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the Church's services.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - a. There must be no self-dealing or any conduct of private business or personal services between any Board member and the Church.
  - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote but also from the deliberation.
  - c. Board members must not use their positions to obtain employment for themselves, family members or close associates. Should a Board member desire employment within the Church, he or she must first temporarily withdraw from Board deliberation, voting and access to applicable Board information regarding such matters.
3. Board members may not attempt to exercise individual authority over the Church except as explicitly set forth in Board policies and By-laws of the institution.
  - a. Board members' interaction with the Pastor, the Executive Director or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.
  - b. Board members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
  - c. Board members will give no consequence or voice to individual judgments of staff performance.

### **GP1 – 3 Affirmation of Board Members, Chairperson, Vice Chairperson, Secretary**

At the annual Meeting of Members, to be held no later than six months after the fiscal year end, members shall elect a Board of Overseers of no fewer than seven and no greater than nine members of the Church. The Board of Overseers shall be affirmed, from the recommendations presented by the Discernment Team, by a two-thirds majority vote of the members present at the annual Meeting of Members.

No person shall be entitled to hold more than two elected positions at any one time. For greater clarity, an elected position means the position of Board member, Deacon and officer as set out in By-law Section 9.

Members of the Board of Overseers shall be affirmed for a term of three years. The chairperson of the Board may occupy the office of Chairperson for a maximum of one year, and may not occupy that office unless elected for a further term of one year.

At its first meeting following the annual meeting of the Church the Board of Overseers shall elect from its own membership a chairperson, a vice-chairperson and a secretary who shall be chairperson, vice-chairperson and secretary of the Church.

The Chairperson, Vice Chairperson, Secretary, and individual Board members may be removed from office by a two-thirds majority vote of the other Board members who are present at a meeting called for that purpose.

### **GP1 – 4 Board of Overseers Meetings**

The Board of Overseers shall meet at least four times (4) per year. The dates, venue and duration of each meeting shall be determined by the Board chairperson, provided that 48 hours written notice of such meeting shall be given, other than by mail, to each Board member. Notice by mail shall be sent at least 14 days prior to the meeting.

The Chairperson shall determine whether unscheduled board meetings are required. An extraordinary board meeting may also be called by any three voting members of the board.

## **GP1 – 5 Agenda Planning**

To accomplish its job with a governance style consistent with Board policies, the Board will follow an agenda that completes a re-exploration of governance structure and process, particularly the Strategic Plan on an annual basis.

Accordingly:

1. The Chairperson, at the commencement of the Board's annual planning cycle, will prepare an agenda for the following year's meetings. The chair, Pastor and the Executive Director will determine the agenda for any particular meeting with consultation of the entire board. All matters that are recommended for board deliberation by other members that falls within the governance framework must be added to the agenda within a reasonable time frame.
2. The Pastor, Executive Director and any Board member desiring to recommend any matter for Board discussion will advise the chair. Board approval of the agenda will be required at the beginning of each meeting.
3. A complete information packet shall be delivered to each Board member not less than three days before the meeting.
4. In-camera meetings of the Board will be held for matters requiring the protection of privacy of individuals and/or for personnel, real estate and legal matters where confidentiality is necessary to protect the interests of all parties involved.

## **GP1 – 6 Meeting Procedures**

The chairperson shall determine the protocol for the presentation of information and for discussion by Board members. 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 reflect the four quadrants of board responsibilities:

1. Board structure and process

2. Strategic Planning
3. Delegating to the Pastor and Executive Director
4. 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's chairperson may appoint a parliamentarian to monitor the meeting procedures.

If all members of the Board consent, a member may participate in a meeting of the Board by means of a conference telephone or any other communication facility that permits all persons participating in the meeting to hear each other. A member of the Board participating in the meeting by such means is deemed to be present at the meeting.

### **GP1 – 7 Quorum**

The quorum for meetings of the Board of Overseers shall be a majority of the Overseers.

### **GP1 – 8 Voting**

Decisions may be made by consensus. (cf. Appendix B) When consensus is not possible, decisions shall be made by voting. A simple majority is required unless stated otherwise in the By-laws of Bethany Community Church. With the exception of the chairperson, who shall only vote in the event of an equality of votes, all members of the Board shall have one vote.

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 secret ballot by making a motion to that effect.

No member of the Board of Overseers or officers shall place him or herself in a position where there is a conflict of interest between his/her duties as a Board member or officer and his/her other interests. When a conflict of interest exists, the Board member or officer who has the conflict of interest shall declare same and shall not be entitled to vote on the matter.

### **GP1 – 9 Governance Manual Reviews**

The review of the Governance Manual, except for the Strategic Plan, shall take place at the first Board of Overseers meeting after the annual general meeting. The chairperson, vice chairperson, secretary, Pastor and Executive Director shall prepare the review at a meeting prior to this Board meeting.

The Strategic Plan shall be reviewed and revised annually.

### **GP1 – 10 Conflict Resolution Process**

The Board of Overseers 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 of Overseers' part will 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 of Overseers is directly involved.
  - a. Conflicts within the Board of Overseers
  - b. Conflicts between the Board of Overseers and persons or groups within the Church (members/staff/volunteers)
  - c. Conflicts between the Board of Overseers and persons or groups outside the Church

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

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

In cases where the Board of Overseers is not one of the parties in the conflict but is being asked to arbitrate the conflict and has agreed, 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 of Overseers has agreed to be the arbiter in the conflict the following components shall be part of the Board's 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 misconceptions, hearsay or irresponsible criticism.
- d. The allegation(s) shall be accompanied by information that supports the allegation(s).
- e. Both the allegation(s) and the supporting information shall be shared with the person(s) or group to whom the allegation(s) are directed.
- f. At the discretion of the Board of Overseers the allegation(s) shall be presented to the Board of Overseers in the presence of the person(s) or group to whom they refer.
- g. The person(s) or group to whom the allegation(s) is directed shall have an opportunity to request additional information in writing and respond to the allegation(s) in the presence of the person(s) bringing them.
- h. The Board of Overseers shall have an opportunity to ask both parties for clarification or information.
- i. The Board of Overseers may meet *in camera* to consider the conflict. If new information presents itself at this point, the process shall revert to component "e", and this information will be shared with the person(s) or group to whom the allegation(s) are directed.
- j. The Board of Overseers shall report its decision to both parties in writing and shall record the process in its minutes.

- k. Under exceptional circumstances (e.g. sexual harassment, fraud) there may be delays in the conflict resolution process to allow for external investigation.

### **GP1 – 11 Minutes, Recording, Distribution, Approval**

The Board of Overseers' 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 of Overseers.

The Board secretary shall submit the minutes to the Board chairperson within one week following the Board meeting.

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 – 12 Staff and Guest Attendance**

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

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

## **GP2 – STRATEGIC PLANNING PROCESS**

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

Consultation with all members is the vital component to a Strategic Plan that will inspire members, staff, and volunteers to commit themselves to the success of the plan. That consultation shall remain a regular component of each annual planning process.

### **GP2 – 1 Strategic Context**

See Strategic Plan.

#### **GP2 – 1.1 Historical Context**

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

#### **GP2 – 1.2 Environmental Context**

The significant and changing factors within the Church's environment may be listed here, e.g., spiritual/religious, political, economic, cultural, etc.

### **GP2 – 2 Values**

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

### **GP2 – 3 Services/Beneficiaries/Places**

A fundamental basis of the strategic planning process is identifying what services Bethany Community Church shall provide to which people in which places.

### **GP2 – 4 Mission**

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

### **GP2 – 5 Strategic Priorities**

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

## **GP2 – 6 Strategic Goals**

Strategic Goals are an expression of intent for the accomplishing of the Strategic Priorities of Bethany Community Church. The Board of Overseers shall set Strategic Goals annually in consultation with the staff of Bethany Community Church via the Pastor and Executive Director.

Strategic Goals refer to the SMART goals that are Specific, Measurable, Achievable, Relevant to the Mission and Priorities, and Time-limited. They deal with “what” Bethany Community Church seeks to do, rather than the Tactical Goals that deal with “how” the Pastor and Executive Director seek to accomplish the mission and priorities.

## **GP2 – 8 Critical Success Factors**

The Strategic Plan is completed with a list of those factors in the management of the Church’s ministry that are critical to the success of the vision and mission. These form the bridge between the strategic governance of the Board of Overseers and the tactical management of the Pastor and Executive Director. Identifying the critical success factors allows the Board of Overseers to give management direction to the Pastor and Executive Director without becoming directly involved in management and may also be helpful in monitoring the management areas of risk by the Pastor and Executive Director.

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

The Board of Overseers shall delegate all authority and responsibility for the spiritual ministry of Bethany Community Church to the Pastor and for the infrastructure of the Church to the Executive Director. The Board of Overseers shall instruct the Pastor and Executive Director 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 of Overseers shall hold the Pastor and Executive Director accountable for all performances related to the ministry of Bethany Community Church and its infrastructure and for performance of strategic mission and priorities. They are also accountable for compliance with Limitations of Authority.

The Pastor and Executive Director are the only staff persons accountable directly to the Board of Overseers.

The Board of Overseers shall request all information for strategic planning, monitoring performance and measuring results for the Church's infrastructure directly from the Pastor and Executive Director, who may delegate the requests to the appropriate staff members. The Board may, with the Pastor's and Executive Director's consent, make such requests directly.

The Board of Overseers may in exceptional circumstances delegate temporary authority and responsibility to other staff members. In such cases the Pastor and Executive Director shall be informed of the authority and responsibility being delegated and of its recipient and duration. The Board of Overseers may not hold the Pastor or Executive Director accountable for performance or strategic or tactical results in such cases.

## **GP3 – 1 Roles of the Pastor and the Executive Director**

The roles of the Pastor and the Executive Director are for the most part mutually exclusive. The Pastor is responsible for spiritual leadership and pastoral care. The Executive Director is responsible for all aspects of the operation of the Church that are defined by the Board of Overseers as infrastructure or administrative in nature.

The roles are also complementary. The Pastor and his/her staff will make regular use of the infrastructure. The Executive Director will provide leadership for staff and volunteers whose ministry in the Church is administrative in nature.

Both are equally accountable to the Board of Overseers for compliance with the Limitations of Authority and Expectations of Responsibility.

If the Pastor and the Executive Director are unable to agree on a matter, the decision shall default to the Board of Overseers.

## **GP3 – 2 Lead Pastor/Board of Overseers Relationship Description**

### **1. AUTHORITY**

The Board of Overseers is the source of authority for the Pastor following the Pastor's acceptance of the call from the Church.

The president of the Evangelical Missionary Church of Canada is the source of ecclesiastical authority with regard to the professional status of the Pastor.

The Lead Pastor shall be the spiritual shepherd of the Church and shall be deemed by virtue of his/her position to be a Member of the Church.

The Board of Overseers shall assure that the budgeted resources required for the successful fulfilment of the responsibilities of the position are provided. Resources delegated to the Pastor include staff and volunteer human resources, financial resources for ministry and a personal compensation package.

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

The Limitations of Authority are documented in **GP3 – 4: Lead Pastor/ Executive Director Limitations and Expectations.**

In fulfilling the responsibilities of this position and without additional authority from the Board of Overseers the Lead Pastor/ Executive Director may not:

- Cause the Board of Overseers to be in violation of any of the limitations of its authority
- Provide services to individuals and groups not included in the Strategic Plan

### **3. RESPONSIBILITIES**

It is the Lead Pastor/ Executive Director responsibility to manage the infrastructure of Bethany Community Church in a manner that allows the Church to realize its strategic goals.

Specifically he/she will:

- Provide overall direction, supervision, vision and spiritual leadership across the ministries of the Church in conjunction with the Board of Overseers of the Church and to work in co-operation with the Deacons in implementing such leadership, including delegation of these responsibilities.
- Provide pastoral services for the members of the Church and for non-members who seek pastoral services
- Lead the public worship of the Church, including planning and conducting worship services and administration of the sacraments
- Provide ordinances of the Church, e.g., baptism, marriages and funerals
- Assist the Board of Overseers with its strategic planning responsibilities and accountability processes
- Provide leadership and direction for the Lead Pastoral team, staff and volunteers

### **4. EXPECTATIONS**

The Expectations of Responsibility for this position are documented in **GP3 – 4: Lead Pastor/ Executive Director Limitations and Expectations** and the Pastor's Tactical Plans. They are negotiated regularly as part of the annual review of the relationship.

The Pastor is also expected to:

- Ensure that his/her lifestyle reflects ethical and moral conduct and behaviour that is becoming of a Christian and in line with Biblical principles
- Treat people with the values of affirmation, involvement and servant leadership
- Work harmoniously with the Board of Overseers, Deacons, the Executive Director and staff

- Attend all meetings of the Board of Overseers and senior management team
- Be familiar with the Church's Constitution and By-laws, the Governance Manual, the Strategic Plan, the Tactical Plans and governance and management processes
- Prepare regular reports of progress towards strategic goals and compliance with limitations and expectations for the Board of Overseers
- Be in full agreement with, uphold and be subject to, the Church Constitution
- Meet the qualifications of an elder as stated in 1 Timothy 3, become a member of the Church, be a good steward, and meet the academic standards required by the denomination.

## **5. ACCOUNTABILITIES**

Accountability in this relationship is mutual. The Board of Overseers is accountable to the Pastor for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position.

The Pastor is accountable to the Board of Overseers for performance with respect to the negotiated expectations and for compliance with the limitations of authority. He/she is also accountable to the President of the Evangelical Missionary Church of Canada.

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

- Review of the authorization and resources provided and values expressed to the Pastor
- Review of the Pastor's performance towards expectations of the strategic responsibilities of the relationship and the Pastor's progress towards his/her 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 personal development

## **GP3 – 3 Executive Director/Board of Overseers Relationship Description**

### **1. AUTHORITY**

The Board of Overseers is the source of authority for the Executive Director. The Executive Director has authority to manage the infrastructure of the Church, including the physical plant, equipment and property as well as the administration functions necessary to support the ministry of the Church.

The Board of Overseers shall assure that the budgeted resources required for the successful fulfillment of the responsibilities of the position are provided. Resources delegated to the Executive Director include staff and volunteer human resources, financial resources for operations and a personal compensation package.

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

The Limitations of Authority are documented in **GP3 – 4: Lead Pastor/ Executive Director Limitations and Expectations.**

In fulfilling the responsibilities of this position and without additional authority from the Board of Overseers the Executive Director may not:

- Cause the Board of Overseers to be in violation of any of the limitations of its authority
- Provide services to individuals and groups not included in the Strategic Plan
- Jeopardize the legal position, fiscal integrity or public image of Bethany Community Church nor expose the Church to unnecessary or unmanageable risks

### **3. RESPONSIBILITIES**

It is the Executive Director's responsibility to manage the infrastructure of Bethany Community Church in a manner that allows the Church to realize its strategic goals.

Specifically he/she shall:

- Provide the Board of Overseers with the governing information it needs for its governance responsibilities, including strategic planning, building, property, equipment and administrative needs
- Present to the Board of Overseers tactical and financial plans in line with the approved Vision and Strategic Plan

- Provide leadership and direction for the senior administrative team, the staff and volunteers

#### **4. EXPECTATIONS**

The Expectations of Responsibility for this position are documented in **GP3 – 4: Lead Pastor/ Executive Director Limitations and Expectations** and the Executive Director's Tactical Plans. They are negotiated regularly as part of the annual review of the relationship.

The Executive Director is also expected to:

- Treat people with the values of affirmation, involvement and servant leadership
- Work harmoniously with the Pastor, the Board of Overseers and key stakeholders
- Attend all meetings of the Board of Overseers and senior management team
- Be familiar with the Church's Constitution and By-laws, the Governance Manual, the Strategic Plan, tactical plans and governance and management processes
- Ensure that all financial matters of Bethany Community Church abide with all applicable laws, particularly those affecting churches and charitable organizations
- Prepare regular reports of progress towards strategic goals and compliance with limitations for the Board of Overseers
- Attend worship regularly and frequently
- Appoint an individual to maintain the Church's documents and record its history

#### **5. ACCOUNTABILITIES**

Accountability in this relationship is mutual. The Board of Overseers is accountable to the Executive Director for providing the authorization, resources, affirmation, involvement and servant leadership required for the successful realization of the responsibilities of the position.

The Executive Director is accountable to the Board of Overseers for performance with respect to the negotiated expectations and 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 of Overseers and shall include a:

- Review of the authorization and resources provided and values expressed to the Executive Director
- Review of the Executive Director's performance towards expectations of the strategic responsibilities of the relationship and the Executive Director'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 personal development

### **GP3 – 4 Lead Pastor/Executive Director Limitations and Expectations**

Limitations and Expectations Policies are the means by which clear Limitations of Authority and Expectations of Responsibility negotiated with the Pastor and Executive Director are communicated to them and their respective staff. Normally, these policies shall be prepared by the Board of Overseers with the involvement of the Pastor and Executive Director.

The development of these policies shall be reviewed annually by the Board of Overseers. They shall ensure that Limitations of Authority and Expectations of the Responsibilities of the Pastor and Executive Director are added, modified or deleted in such a way that the Board of Overseers remains in control of management through governance.

All limitations and expectations policies shall be approved by the Board of Overseers and documented in this manual. Limitations or Expectations not documented in these policies may not be assumed or implied.

#### **GP3 – 4.1 Tactical and Financial Planning**

Financial planning for Bethany Community Church for each fiscal year or remaining part of any fiscal year shall not deviate materially from the policies, vision, mission and values of Bethany Community Church, and shall reflect consistent, sound and prudent financial practices.

##### **Limitations**

With respect to tactical and financial planning, the Pastor and Executive Director 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 over \$25,000 on behalf of the Church without the Board of Overseers' approval

##### **Expectations**

With respect to operational and financial planning, the Pastor and Executive Director are expected to enable the Board of Overseers to fulfil its fiduciary responsibilities and maintain its integrity in financial matters.

Accordingly, the Pastor and Executive Director are expected to create a tactical and financial plan which:

- Is completed one month before the end of the fiscal year

- Complies with the Strategic Plan and priorities in its allocation of resources and reflects consistent, sound and prudent financial practices
- 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 budget that has been prepared by the senior leadership of Bethany Community Church with direct linkage to the Strategic Plan
- Includes a budget that has been prepared in a form, and in sufficient detail, to enable an accurate projection and monthly tracking of revenues, expenses and cash flow, and separation of operational and capital items
- Includes a budget that is prepared in a form, and in sufficient detail, to enable an accurate audit trail
- Includes a budget that discloses all major planning assumptions

### **GP3 – 4.2 Financial Condition – Operational Funds**

The Executive Director and Pastor shall ensure that all financial matters of Bethany Community Church will abide with all applicable laws, particularly those affecting churches and charitable organizations, and will be managed so as not to expose Bethany Community Church to unnecessary or unmanageable risks.

#### **Limitations**

With respect to operating the Church in a sound and prudent financial manner the Pastor and Executive Director may not put the Church at risk financially, or cause the Board of Overseers to be in violation of its responsibilities.

Accordingly they may not, without additional approval of the Board of Overseers:

- Expend more operational funds than have been received in any financial year
- Expend funds on operations not included in the Strategic Plan
- Allow Bethany Community Church to operate, or plan to operate, in any kind of a deficit position
- Allow Bethany Community Church to incur indebtedness of any kind
- Allow Bethany Community Church to acquire, encumber, subdivide or dispose of any real property

#### **Expectations**

With regard to the management of the Church's finances, the Pastor and Executive Director are expected to:

- Ensure the books, records and financial reports of Bethany Community Church are prepared in accordance with generally accepted accounting

- principles, and standards and customs generally applicable to churches and charitable organizations
- Ensure the books, records and financial reports are prepared and administered by a qualified employee, volunteer or consultant of Bethany Community Church
  - Receive Board approval of all final year-end books, records and financial reports of Bethany Community Church each year prior to the annual general meeting
  - Ensure Bethany Community Church's cash position does not drop below a level sufficient to meet its payroll, tax withholdings, debts and other obligations as they come due
  - Ensure that payroll withholdings are submitted in a timely manner to the appropriate government agencies
  - Notify the Board of Overseers in a timely manner of any financial event which could affect the financial security of the Church
  - Ensure the annual Registered Charity Information Return and other filings with Canada Revenue Agency are prepared in accordance with applicable law and filed prior to applicable deadlines
  - Have all books, records and financial reports of Bethany Community Church audited at least once annually by an auditor selected by the Board, who shall be arms length to each member of the Board and senior leadership
  - 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 – 4.3 Asset Protection**

#### **Limitations**

With respect to minimizing losses of the Church's capital assets the Pastor and Executive Director may not:

- Allow assets to be unprotected, inadequately maintained nor unnecessarily placed at risk, nor allow persons to be unprotected or unnecessarily placed at risk
- Allow the disposal of assets at less than market value,
- Sell or dispose of assets of a value in excess of \$5,000 without Board approval
- Expose Bethany Community Church, its Board or its staff to legal claims
- Endanger Bethany Community Church's public image or credibility , particularly in ways that would hinder the accomplishment of its mission

## **Expectations**

Additionally, the Pastor and Executive Director are expected to:

- Take all reasonable steps to minimize fraud, losses and liability claims
- Maintain net assets above a level sufficient to meet the Church's liabilities
- Plan for the replacement of depreciating capital assets
- Ensure coverage and plans for protection from risk are based upon professional advice, reviewed regularly and adjusted accordingly
- Ensure all property of Bethany Community Church is insured against fire, theft and other casualty losses to at least full replacement value or, where that is not available or affordable, to a percentage of replacement value comparable to other like organizations
- Ensure Bethany Community Church is insured against personal injury and other general liability claims in terms comparable to other like organizations
- Ensure the Board and each of its members are insured against liability claims and errors and omissions on terms comparable to other like organizations
- Ensure all facilities are regularly and properly maintained
- Protect intellectual property, information and files from loss or significant damage

## **GP3 – 4.4 Contracts and Capital Expenditure**

### **Limitations**

With respect to managing the legal position, fiscal integrity and public image of the Church, the Pastor and Executive Director may not:

- Enter into any contract which either does not have a fixed term or is not terminable by Bethany Community Church
- Enter into any contract having a value or commitment in excess of \$15,000, unless such contract is in writing
- Enter into any contract having a value or commitment in excess of \$30,000 unless such contract is in writing and is reviewed by the Board prior to signing
- Enter into any contract having a value or commitment in excess of \$50,000 unless such contract is in writing and is approved beforehand by the Board and is approved by legal counsel if required by the Board
- Make any purchase or commit the Church to any expenditure greater than \$5,000 without written record of competitive prices, or any purchase wherein normally prudent protection has not been given against conflict of interest

- Incur capital expenditure in excess of funds specifically given as restricted funds
- Incur capital expenditure for items which are not required for the normal operations

### **Expectations**

The Pastor and Executive Director are expected to report all purchases and contracts when this policy is monitored.

### **GP3 – 4.5 Site Development**

Any of Bethany Community Church's site development projects shall be consistent with its mission, vision and values, shall reflect in all respects consistent, sound and prudent financial planning, inclusive of both capital and operating items, and shall be flexible enough to accommodate to the greatest extent possible any changes to the needs, circumstances and financial capabilities of Bethany Community Church.

### **Limitations**

With respect to proper control of the site development project and other capital expenditures the Pastor and Executive Director may not:

- Enter into any site development project, without having first presented to and obtained the approval of the Board for a comprehensive written business plan for the project
- Proceed with any site development project without having a plan to meet existing financial obligations and other obligations that may arise in relation to the planned site development project or, alternatively, having first obtained the approval of the Board to a written plan to meet all existing financial obligations of Bethany Community Church and other financial obligations arising from the proposed site development project
- Enter into any contract in respect of the site development project, which is not terminable by Bethany Community Church upon reasonable advance notice, or upon a decision by the Board to suspend or terminate the site development project due to insufficient funding or other financial constraints.

### **Expectations**

The Pastor and Executive Director are expected to report all proposals and transactions when this policy is monitored.

Additionally, the Pastor and Executive Director are expected to:

- Inform the site development team of all relevant policies that impact upon the site development and ensure that said policies are complied with

### **GP3 – 4.6 Fundraising**

Fundraising practices shall respect the dignity and privacy of all contributors, and solicitations will truthfully describe the projects or programs for which the contributions will be used.

#### **Limitations**

With respect to fundraising practices, the Pastor and Executive Director may not:

- Cause or allow any “in kind” contribution , such as artwork or stock of a private or public company, to be held by Bethany Community Church for investment or appreciation purposes
- Sell, rent or trade donor lists in accordance with the Personal Information Protection and Electronic Documents Acts (PIPEDA)

#### **Expectations**

With regards to the management of fundraising activities, the Pastor and Executive Director are expected to:

- Respect the privacy of contributors, including their right to remain anonymous, unless information must be released by law
- Cease solicitation of anyone who complains of harassment or undue pressure
- Remove a person’s name from all lists when requested to do so
- Provide all volunteers, employees and hired fundraisers involved with the fundraising process with a copy of this fundraising policy
- Ensure adherence to the Fundraising Policy dated May 29, 2007

### **GP3 – 4.7 Restricted or Designated Funds**

#### **Limitations**

With respect to the restricted funds and assets the Pastor and Executive Director 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 Pastor and Executive Director are 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.

The Executive Director is expected to administer the Benevolence Fund and report to the Board on Benevolence Fund spending. The administration of the fund is to be in compliance with the BENEVOLENCE FUND – Administration Guidelines.

The Executive Director is expected to administer the Camp Ministry Endowment Fund in compliance with the Camp Ministry Fund Policy. He is expected to give the Board of Overseers a report annually on the operation of the fund.

## **GP3 – 4.8 Operation of Bank Accounts**

In order that the Board of Overseers may comply with responsibility regarding the operation of bank accounts the Pastor or Executive Director may not:

- open, close or amend a bank account in the name of the Church unless the process for opening, closing or amending requires a copy of a resolution passed by the Board of Overseers to be presented to the bank prior to the account being opened, closed or amended.

## **GP3 – 4.9 Treatment of Staff and Members/Volunteers**

The Board believes that the staff and volunteers of the Church are skilled and talented individuals that make a significant contribution to their area of responsibility and that also possess knowledge, creativity and experience that can be of benefit in achieving the vision of Bethany Community Church.

## **Limitations**

In relating to staff and volunteers the Pastor and Executive Director may not:

- Cause or allow conditions which are unsafe, unbiblical, unethical or undignified
- Prevent staff or volunteers from grieving to the Board of Overseers when:
  - a) internal grievance procedures have been exhausted, and
  - b) the employee or volunteer alleges that Board policy has been violated to his/her detriment
- Practice or tolerate harassment in any form in the church or in the physical environments used for programs and events

- Impose work expectations on any staff or volunteer 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 volunteer that have not been previously stated and agreed prior to selection

### **Expectations**

In relating to the Board of Overseers, staff, volunteers and other members, the Pastor and Executive Director are expected to demonstrate the values of affirmation, involvement and servant leadership.

In relating to staff and volunteers the Pastor and Executive Director are 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
- Operate with written personnel policies which clarify personnel rules for staff and volunteers, provide for effective relationship development with staff and volunteers and protect against wrongful conditions
- Provide for periodic documented staff and volunteer goal setting and performance improvement feedback
- Acquaint staff and volunteers with this policy and allow appropriate staff/volunteer input on relevant policies

### **GP3 – 4.10 Compensation and Benefits**

Employee compensation and benefits will not place Bethany Community Church at financial risk. All Bethany Community Church employees are entitled to meaningful annual evaluations and open and honest communication.

### **Limitations**

With respect to employee compensation and benefits, the Pastor and Executive Director may not set their own compensation and benefits packages

### **Expectations**

With regards to the management of the Church's finances, the Pastor and Executive Director are expected to:

- Continue to comply with the Tactical and Financial planning policy in any revision of the plan
- Adhere to Canadian and Ontario labour laws and pay equity practices

## **GP3 – 4.11 Executive Succession Planning**

### **Limitations**

With respect to continuity in the management of the Church's infrastructure and spiritual leadership, the Pastor and Executive Director may not:

- Allow Bethany Community Church to operate without adequate senior leadership

### **Expectations**

The Board values short- and long-range planning and team leadership. Accordingly, the Pastor and the Executive Director, in accordance with the corporate succession plan, are expected to:

- Protect the Board of Overseers from sudden loss of executive services by designating and recommending to the Board at least one qualified individual for each position (senior staff or otherwise) who will be familiar with Board and Church administrative and ministry issues and processes, and could function temporarily or otherwise in the Pastor or Executive Director position, with prior approval of the Board. Should no one be immediately qualified or able to act in these positions, the Pastor, Executive Director and/or the Board of Overseers will follow the procedures outlined in the corporate succession plan for temporary replacement or recruitment as applicable.
- Design, develop and implement individual long-range succession plans for their respective positions
- Ensure the development of individual succession plans for the other senior staff positions which report to them

## **GP4 – BOARD OF OVERSEERS ACCOUNTABILITIES**

### **GP4 – 1 Measuring Strategic Results**

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

#### **GP4 – 1.1 Indicators of Results**

The Board of Overseers shall identify Indicators of Results 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 – 1.2 Measuring Process**

The Board of Overseers 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 of Overseers may make revisions to priorities and Strategic Goals for the following year.

### **GP4 – 2 Monitoring Compliance with Limitations**

#### **GP4 – 2.1 Monitoring Process**

Systemic and monitoring of the Pastor's and Executive Director's job performance is important to ensure that established goals and objectives are being met in accordance with the strategic plan and to determine the degree to which Board policies and procedures are being fulfilled within the delegated scope of authority.

The Board will conduct formal performance evaluations for the Pastor and Executive Director on an annual basis. The Board will establish a formal process, timeframe and criteria for this function and will make or not make appropriate adjustments to his/her compensation based on the outcome of the review and the requirements set out in the performance agreement.

Monitoring the Pastor's and the Executive Director's job performance will be conducted as follows:

- The Board will designate one or more of its members to act as the Review Committee and work with the Pastor/Executive Director of Administration to develop individual performance agreements for the upcoming fiscal year.
- Each performance agreement will include a review of the previous year's goals and objectives and the degree to which those were achieved.
- Realistic and achievable goals and objectives for the upcoming year will be discussed and agreed with the incumbents. A formal performance agreement document will be developed for each position.
- The Review Committee will recommend the new performance agreement to the Board for discussion and/or amendment.
- The final performance agreements will be signed by the incumbents and the Board Chair.
- A review of the progress will be undertaken by the Review Committee at the mid-point of the review period to ensure compliance and/or to make any necessary amendments due to extenuating or unforeseen circumstances.

In every case, the standard for compliance of policies shall be any reasonable interpretation by the Pastor or Executive Director of the policy being monitored.

#### **GP4 – 2.2 Monitoring Schedule**

The Board can monitor any policy at any time by any method but shall ordinarily depend on a routine schedule as follows:

- GP3 – 4.1 Tactical and Financial Planning – annually
- GP3 – 4.2 Financial Condition – Operational Funds – semi annually
- GP3 – 4.3 Asset Protection – annually
- GP3 – 4.4 Contracts and Capital Expenditures – semi annually
- GP3 – 4.5 Site Development – annually
- GP3 – 4.6 Fundraising – annually
- GP3 – 4.7 Restricted or Donor-Designated Funds – annually
- GP3 – 4.8 Operation of Bank Accounts – annually
- GP3 – 4.9 Staff/Volunteer Treatment – annually
- GP3 – 4.10 Compensation and Benefits – annually
- GP3 – 4.11 Executive Succession Planning – annually

## **GP4 – 3 Annual Relationship Reviews**

As part of its accountability process, the Board of Overseers shall self evaluate on an annual basis.

All direct working relationships in which authority and responsibility are delegated from one person or group to another shall be reviewed on a regular schedule as defined in the Accountability section of each relationship.

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 reviews of relationships listed in this manual shall be distributed to all members of the Board of Overseers.

### **GP4 – 3.1 Board of Overseers Review**

The review of the performance of the Board of Overseers shall be assigned to two members of the Board of Overseers and one outside person appointed by the members of the Board of Overseers and qualified in reviewing the process of governance.

#### **GP4 – 3.2 Pastor and Executive Director/Board of Overseers Relationship Review**

The annual review of the Pastor and Executive Director/Board of Overseers relationships shall be delegated to three Board members appointed by the Board of Overseers. Each reviewer's annual appointments may be renewed.

#### **GP4 – 4 Accountability to the Church**

The Board of Overseers shall, through the Chairperson of the Board, prepare an annual report of strategic results and statistical information to present to the Membership at the annual general meeting.

At that meeting, the Chairperson of the Board shall be available to answer any questions by Members and to entertain any motion arising from the floor concerning the proceedings of the Board.

#### **GP4 – 5 Accountability to the Evangelical Missionary Church of Canada**

The Board of Overseers shall make the plan available if requested. fully and accurately the annual measurements of strategic results and the required statistical information to the Office of the President in a format and schedule prescribed by the Evangelical Missionary Church of Canada.

#### **GP4 – 6 Accountability to Civil Authorities**

The Board of Overseers shall ensure that all documents required by municipal/regional, provincial and federal authorities are filed in accordance with the laws of the respective government.

The Board of Overseers shall further ensure that Bethany Community Church complies with all the laws of the respective jurisdictions.

#### **GP4 – 7 Accountability to Others**

The Board of Overseers shall also make available relevant information to the friends and associates and other stakeholders of Bethany Community Church through an Annual Report that shall be made available in a timely manner upon request.

## **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 Church of Bethany Community Church 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.

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 Churches 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 of Overseers 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 decision, for example, the Board of Overseers does not allow any individual or small group to dominate the process. The Board of Overseers 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 will enable the Board of Overseers to make better decisions, not to make the decisions for the Board of Overseers.

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 of Overseers to verify that the values, structures and processes used within Bethany Community Church are consistent with the Relationship Model. The checklist can also assist the Board of Overseers to identify weaknesses and to give guidance toward making adjustments that will 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 of Overseers, the Pastor or the Executive Director. 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 of Overseers, acting on information from all members, is responsible to the Church for governance including designing Board of Overseers structure and process, strategic planning, delegating authority to the Pastor and Executive Director 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 of Overseers and the staff and volunteers.

1.4.10 Accountability is mutual. The Board of Overseers is accountable to the staff for providing adequate authority and resources. The Pastor and Executive Director are accountable to the Board of Overseers for achieving strategic results.

## **Appendix B**

### **Definition of Terms**

**Authority** – the first component of a relationship. Authority at any level in the organization is always limited by the person or group who is delegating authority to others. In the Relationship Model 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 who benefit directly from the services that the Church offers. Beneficiaries may be described by their type and by their geographical location.

**Board Chair** – a member of the Board of Overseers, 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 civil 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 of Overseers** – the highest governing body in the church. Elected by its members, the Board of Overseers 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.

**Board 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.

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

**Committee** – a group designated by the Board of Overseers to assist the Board with the development of governance policies and with monitoring the Executive Director 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.

**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 CEO is expected to address the Critical Success Factors in the Tactical Plans, enabling the board to express monitor the CEO's management of risk without becoming involved in managing as a board function.

**Overseers** – members of the Board of Overseers. Overseers have been entrusted by those who elected or appointed them with the direction and governance of the church. The emphasis on the word “director” is on the authority component of governance. Overseers are individually accountable to the stakeholders and civil governments for their personal behavior and collectively accountable to them for their governance of the church.

**Executive Director** – the Chief Executive Officer of the church, hired by the Board of Overseers primarily 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. The Executive Director receives authority and responsibility from the Board and is accountable to the Board. The Executive Director has no authority or responsibility for governance and is not a member of the Board of Overseers.

**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 of Overseers 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 organizations and churches. The Board of Overseers is accountable to the stakeholders for achieving strategic results and to the appropriate government agency or department for remaining within the limitations of civil law.

**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.

**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 an organization 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 of Overseers 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 of Overseers both for strategic results and for remaining within the limitations of authority.

**Minutes** – the official record of the Board of Overseers, 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 of Overseers and the CEO to develop the structure and process (form and function) of governance and management for the church to fulfill its Mission.

**Not-for-profit** – a type of organization in which the purpose is to deliver products and services to clients, not for profit, but as an expression of the values of the members and stakeholders. Sometimes called “non-profit” the organization may generate a surplus even though that is not its mission.

**Organization** – a generic name given to a corporate entity or charity. The term includes the entire organization including the membership, board and staff.

**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 CEO
4. Board accountability (monitoring and measuring).

**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 an organization. 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.

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

**Stakeholders** – individuals and groups who have a “stake” in the organization, similar to the shareholders in a for-profit corporation. In a church they include the members, community and strategic partners. The Board of Overseers consults the individuals within these groups for strategic direction. Stakeholders who benefit directly from the services of the church are beneficiaries. Other stakeholders are individuals and groups affected by the services of the church but who are not direct beneficiaries. (See also “Beneficiaries”)

**Strategic** – describes the focus of the Board’s responsibility, the “what” of an organization 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.

**Tactical** – describes the focus of management responsibility, the “how” of an organization, 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 charitable organization or church. Values include many levels: core beliefs and personal values, interpersonal relationship values and organizational values. People display their values by their behavior.