

The Lutheran Church—Missouri Synod

BOARD OF DIRECTORS POLICY MANUAL



Adopted May 18, 2018

*The Lutheran Church – Missouri Synod
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GLOSSARY

Items in this *Glossary* marked with an asterisk (*) are from the 2010 Handbook of The Lutheran Church—Missouri Synod, pages 25-28.

Term	Definition	Bylaw
Agency*	An instrumentality other than a congregation or corporate Synod, whether or not separately incorporated, or its Board of Directors has caused or authorized to be formed to further the Synod's objectives. (1) Agencies include each board, commission, council, seminary, university, college, district, Concordia Plan Services, and each synodwide corporate entity. (2) The term "agency of the Synod" does not describe or imply the existence of principal and agency arrangements as defined under civil law.	1.2.1 (a)
Board	The Board of Directors of the Synod as defined in Bylaw 3.3.4.	
Commission*	A group of persons, elected or appointed as prescribed in the Bylaws, rendering a precisely defined service function of the Synod and responsible, as the case may be, to the Synod in convention, to the President of the Synod, or to the Board of Directors of the Synod. The commissions of the Synod are: (1) Commission on Constitutional Matters (2) Commission on Doctrinal Review (3) Commission on Handbook (4) Commission on Theology and Church Relations	1.2.1 (c)
Corporate Synod*	The Lutheran Church—Missouri Synod, the Missouri nonprofit corporation, including the departments operating under the supervision of the Board of Directors of the Synod and its mission boards and commissions. (1) "Corporate Synod" is not an agency of the Synod. (2) Concordia Plan Services is a controlled entity of The Lutheran Church — Missouri Synod created to manage the Concordia Plans. (3) The Concordia Plans, while operating under the supervision of the Synod Board of Directors, are trust agencies whose assets are not the property of corporate Synod (4) The Lutheran Church—Missouri Synod, in referencing the laws of the State of Missouri in these Bylaws and in the Synod's Articles of Incorporation, intends to acknowledge its responsibility to be subject to civil authority. In all such references, however, the Synod intends to retain all authority and autonomy allowed a church under the laws and Constitution of the United States and the State of Missouri.	1.2.1 (d)
Governing Board*	A board that directs a separately incorporated agency of the Synod. Governing boards are such as a board of directors, a board of trustees, a board of regents, a board of managers, or a board of governors.	1.2.1 (i)
Partner	Any person or group with which the Board of Directors relates and has certain oversight responsibilities (see Error! Reference source not found. and Error! Reference source not found.).	
Property of the Synod*	All assets, real or personal, tangible or intangible, whether situated in the United States or elsewhere, titled or held in the name of the Synod, its nominee, or an agency of the Synod. "Property of the Synod" does not include any assets held by the Lutheran Church Extension Fund—Missouri Synod or by an agency of the Synod in a fiduciary capacity (including, for purposes of example, the funds managed for the Concordia Plans and certain funds held by The Lutheran Church—Missouri Synod Foundation).	1.2.1 (q)
Region*	A division of the Synod for the purpose of regional elections	1.2.1 (r)

Synod*	Refers collectively to the association of self-governing Lutheran congregations and all its agencies on the national and district levels. The Synod, as defined herein, is not a civil law entity.	1.2.1 (v)
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Synodwide Corporate Entity*	A separate corporation established by the Synod for business and legal reasons. For the purposes of these Bylaws, the “synodwide corporate entities” of the Synod are the following corporations:	1.2.1 (w)
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- (1) Concordia Historical Institute
- (2) Concordia Publishing House
- (3) Lutheran Church Extension Fund—Missouri Synod
- (4) The Lutheran Church—Missouri Synod Foundation
- (5) Concordia University System

The term “synodwide corporate entity” is not used in these Bylaws to include foreign corporations created by the Synod in order to undertake foreign missions.

1 Desired Outcome Policies of the Board of Directors

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1.1 Board of Directors' Purpose Statement (Desired Outcome)

The Board, in accordance with Bylaw 3.3.4, serves to provide leadership in achieving the objectives of The Lutheran Church—Missouri Synod as stated in Article III of its Constitution and Bylaw 1.1.1, so that Christ's name may be glorified among all people throughout the world by serving each other in Christ's name, reaching our communities with Christ's love, and claiming the world for Christ's kingdom.

1.2 Ultimate Beneficiaries

1.2.1. Congregations of the Synod.

1.2.2. Professional church workers of the Synod as identified in Article V of the Constitution.

1.2.3. Members of congregations of the Synod.

1.2.4. All people throughout the world.

1.3 Partners in Ministry

- 1.3.1 Identify and work to establish a positive relationship with partners in ministry-- (those that have a potential to have a felt ownership in the Synod).
- 1.3.2 Regularly solicit input, as possible, on desired outcomes from our partners in ministry.
- 1.3.3 Regularly provide feedback on accomplishment of the Board's desired outcomes to partners in ministry.

2 Board of Directors' Self-Governance Policies

These policies define the way that the Board Shall manage itself.

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2.1 Board of Directors' Responsibilities

The Board of Directors is the legal representative and custodian of all the property of The Lutheran Church—Missouri Synod, directly or by its delegation of such authority to an agency of the Synod. It shall exercise supervision over all property and business affairs of The Lutheran Church—Missouri Synod except in those areas where it has delegated such authority to an agency of the Synod or where the voting members of the Synod through the adoption of Bylaws or by other convention action have assigned specific areas of responsibility to separate corporate or trust entities, and as to those, the Board of Directors has general oversight responsibility as set forth in the Bylaws. For the purposes of this article, The Lutheran Church—Missouri Synod includes both the Synod formed by this Constitution and the Missouri corporation formed by the Synod. (Constitution XI, E, 2); Bylaw 3.3.4ff outlines the Board of Directors responsibilities as they relate to the mission boards and commissions, the synodwide corporate entities, Concordia Plan Services and other agencies of the Synod

2.2 Board of Directors' Member Responsibilities

Members of the Board have a responsibility to:

- 2.2.1 Regularly attend Board meetings and, when unable to attend, notify the Board chairman.
- 2.2.2 Participate in Board meetings, planning retreats, special briefings, and policy decision-making.
- 2.2.3 Prepare in advance, familiarize themselves with the issues, and require complete and accurate information in order to act with due diligence. Through the Chief Administrative Officer, individual members may request additional information that would be reported to the Board and that may help the Board as a whole in exercising its monitoring responsibility.
- 2.2.4 Actively bring to the Board issues for discussion and action which may be of concern, interest or importance.
- 2.2.5 Follow decisions after they have been discussed and resolved by the Board. Opposition shall be expressed during discussions and not by the recording of negative votes in the minutes (unless this privilege is granted by vote of the Board) and never by a so-called "minority opinion."
- 2.2.6 Serve on committees of the Board.
- 2.2.7 Exercise diligence to ensure that all actions of the Board comply with the Synod Handbook.
- 2.2.8 Bring to the attention of the Board actions and conditions that run counter to the policies contained in this Board Policy Manual.
- 2.2.9 Through the Chairman, bring to the Chief Administrative Officer's immediate attention any condition or action believed to exceed an Executive Limitation Policy.
- 2.2.10 Disclose conflicts of interest in accord with Synod Bylaws (Bylaw 1.5.2) .

¹Should the congregations of the Synod not ratify the amendment to Article XI E 2 that was adopted by the 2016 convention of the Synod, this paragraph will continue to read: "2. The Board of Directors is the legal representative of the Synod. It is the custodian of all the property of the Synod, directly or by its delegation of such authority to an agency of the Synod. It shall exercise supervision over all the property and business affairs of the Synod except in those areas where it has delegated such authority to an agency of the Synod or where the voting members of the Synod through the adoption of bylaws or by other convention action have assigned specific areas of responsibility to separate corporate or trust entities, and as to those the Board of Directors shall have general oversight responsibility as set forth in the Bylaws."

2.3 Board of Directors' Governing Policies

At a minimum, the Board shall maintain the following categories of written policies applicable to:

- 2.3.1 Outcome Results: Affirmative statement setting forth the Board's desired outcomes.
- 2.3.2 Board Self-Governance: Statements defining how the board will organize itself to accomplish its work, how the board will govern, and the board's relationship to its "partners," (Board Policies 2.5.1 and 2.5.2).
- 2.3.3 Board and Officer Relationship: Statements about delegation to and monitoring of management.
- 2.3.4 Officer Limitations: Statements limiting management activities.
- 2.3.5 Agencies of the Synod: Policies to carry out the Board's constitutional responsibilities over the Agencies of the Synod (Bylaws 1.2.1 (a) and 3.3.4.3).
- 2.3.6 Additional categories may be used in order to more effectively and efficiently codify Board policies

2.4 Board of Directors' Governing Guidelines

2.4.1 Scope of Activities

All activities of the Board, its officers, committees or individual members shall be in accordance with (1) the Constitution, Bylaws, and convention resolutions of The Lutheran Church—Missouri Synod and (2) applicable Federal and State laws (Bylaw 3.3.4.2).

2.4.2 Group Action

The Board shall exercise its governing authority as a whole. No individual member of the Board may exercise such authority except as instructed by the Board.

2.4.3 Meetings

2.4.3.1 The Board of Directors shall typically meet four times each year at a place and time determined by the board.

2.4.3.2 These meetings are open to the public to observe except as provided for in this policy manual. Request to speak to the board in open session must be received and approved prior to the meeting. Requests to speak to the board should be directed to the Chief Administrative Officer at least seven days prior to the meeting for approval by the Board Chair.

2.4.3.3 The Chairman may authorize a board member to participate in a regular, "in-person" meeting using an electronic technology in accordance with BOD policies 2.4.4.1 and 2.4.4.1.1

2.4.4 Electronic Meetings

2.4.4.1 The board may conduct its meetings electronically using audio, video, or internet-based conferencing technologies.

2.4.4.1.1 In such cases, the technology must allow for each board member to fully participate (hear, speak, have or been given access to documents and other materials as appropriate), including the opportunity to vote.

2.4.4.1.2 Members must be given a reasonable opportunity to access the electronic meeting. If a board member does not have access to the technology to be used, arrangements will be made for the member to participate in person by coming to the LCMS international Center or other mutually agreed upon location (prior arrangement necessary).

2.4.4.2 As with any board regular or special meeting, minutes shall be kept that record a summary of the major points of discussion and any action(s) taken.

2.4.4.3 Any board member listening or watching shall acknowledge their presence to the meeting. These names along with the attending board members shall be recorded in the minutes of the meeting.

2.4.5 Quorum

2.4.5.1 A majority of voting members of the Board shall constitute a quorum at any properly called or scheduled meeting.

2.4.6 Actions Using Electronic Ballot

In situations where board members are not able to meet as described in 2.4.3 or 2.4.4, above, the Board may take action by use of electronic ballot (i.e., e-mail, internet-based voting, etc.) in accordance with the Missouri Nonprofit Corporation Act, provided all voting members of the board cast a vote and the result of the voting is unanimous.

2.4.7 Requests for Action

The Board shall act as required by Synod Handbook and these policies and shall consider requests from:

- "partners," (Board Policy 2.5.1)
- individual members of the Board
- members of the Synod, so long as the request is not more appropriately the responsibility of the Board's Chief Administrative Officer, or other Synod officers, a Synod-wide Corporate Entity, or an Agency of the Synod.

Requests for action should be submitted for consideration to the Chief Administrative Officer at least 30 days prior to the meeting.

2.4.8 Executive Session

2.4.8.1 An executive session of the Board is a closed portion of a meeting in which the proceedings are conducted in private. As a standard practice, everyone is excused from the meeting except for voting members of the board, non-voting member of the board, and others designated by the chairman. In certain circumstances, the board may elect to meet in executive session with only voting and non-voting members of the board.

2.4.8.1.1 Minutes of these sessions are kept by the Secretary however, since the activity is confidential, the minutes are not publicly released. The minutes published of the regular or special meeting during which the executive session was held would generally identify the topic discussed in executive session but not the details of the session. The following items shall be regarded as taking place in executive session:

2.4.8.1.1.1 All legal reports and discussion.

2.4.8.1.1.2 All Human Resources reports and discussion.

2.4.8.1.1.3 All requests for response from the Commission on Constitutional Matters.

2.4.8.1.1.4 And other matters identified by the Board.

2.4.8.2 Executive session minutes shall be distributed to the board for review and acceptance in executive session at the next meeting. Following approval, all copies shall be returned to the Secretary with only one copy to be retained with the protocol copy of the minutes.

2.4.8.2.1 Balancing the importance of transparency with the board's need to address sensitive legal, property, and personnel issues, board members and advisors shall immediately raise any concern about the appropriateness of open session for a business item, and the chair shall entertain a motion (which is debatable) to enter executive session.

2.4.9 Chief Administrative Officer Actions

The Chief Administrative Officer, who serves under the direction and supervision of the Board as a whole, shall comply with Board policies. The Board shall monitor performance of the Chief Administrative Officer's compliance with these policies and the position description.

2.4.10 Policy and Action Review

Any member of the Board or the Chief Administrative Officer may, to the extent of the Board's responsibilities relative to the general management and supervision of the business and legal affairs of the Synod, ask the Board of Directors to:

2.4.10.1 Review any action or policy of a mission board, commission, or council which primarily relates to business, property, and/or legal matters and, after consultation with the agency involved and when deemed necessary, require modification or revocation thereof, except opinions of the Commission on Constitutional Matters (Bylaw 3.3.4.5(a)(2)).

2.4.10.2 The Board of Directors shall provide for the review and coordination of the policies and directives of the Synod authorized by the Constitution, Bylaws, and resolutions of the Synod, evaluating plans and policies and communicating to the appropriate boards and commissions suggestions for improvement, and, in the case of mission boards and commissions, require changes for compliance with Board of Directors' policies within the sphere of its responsibility (Bylaw 3.3.4.3).

2.4.11 Policy Review Calendar

Board policies shall be reviewed, refined and updated as necessary. Every board member has the responsibility to review its policies and make suggestions for improvements as necessary. In order to meet the Board's intent to regularly review its policies, the Governance Committee shall instruct the Chief Administrative Officer to and shall supervise a review of all policies at least once each triennium.

2.5 Groups with Relationship to the Board of Directors

The Board is to represent the members of the Synod in achieving the objectives of Article III of the Synod Constitution and Bylaw 1.1.1, so that Christ's name may be glorified among all the people throughout the world. This is accomplished by working with and enabling its partners as appropriate.

2.5.1 Primary Partners

2.5.1.1 Synod officers and staffs

2.5.1.2 Agencies of the Synod (See also Glossary, page iii)

2.5.2 Special Partners

(Organizations which independently fulfill certain mission and service purposes held in common with the Synod, but have no partnership relationship with the Synod as recognized by civil law.)

2.5.2.1 Auxiliaries of the Synod (Bylaw 6.1)

2.5.2.2 Recognized Service Organizations of the Synod (Bylaw 6.2)

2.5.3 In every triennium, the Board will identify its partners and establish a schedule for meeting with them as appropriate.

2.5.4 The Board may, as necessary, request information, reports, or meetings with its partners.

2.6 Officers of the Board of Directors

2.6.1 Officers of the Board shall be a Chairman and Vice-Chairman elected by the Board in the first meeting after the Synod convention. The Secretary of the Synod shall serve as the Secretary of the Board by virtue of his office. (Bylaws 3.3.4.4 (a) and 3.3.3).

- 2.6.2 The elections shall be by simple majority and take place as the first order of business after the orientation activities on the first day of the first meeting (see 2.6.1 above) with the name of every board member who does not choose to be removed on each ballot cast first for Chairman and then for Vice-Chairman.
- 2.6.3 Prior to election of officers, the meeting shall be chaired by the Chief Administrative Officer and issues of orientation shall be addressed. In addition to the orientation noted herein, a separate orientation of new board members may take place prior to the first meeting of the triennium.
- 2.6.4 The officers of the Board shall not assume any part of the management of the Synod or exercise governing authority except as instructed by the Board.

2.7 Board Officer Responsibilities:

2.7.1 Chairman

The Chairman shall...

- 2.7.1.1 Establish the agenda for Board meetings in compliance with the policy calendar established by the Board and in consultation with the Chief Administrative Officer.
- 2.7.1.2 Set the time, place and agenda for Executive Committee meetings.
- 2.7.1.3 Preside at all meetings of the Board and its Executive Committee.
- 2.7.1.4 At the first meeting of each triennium, solicit interest from members for service on the board's three committees and make appointments to those committees (Board Policy 2.10.1).
- 2.7.1.5 Appoint chair persons for each of the three committees.
- 2.7.1.6 Arrange with the President for an annual review of the responsibilities, performance, and priorities of the Chief Administrative Officer and the Chief Financial Officer in accordance with Board policies, involving all the other Board members in the process and informing the Board of the results.
- 2.7.1.7 Discuss with individual Board members any violations of their responsibilities and possible corrective action. (Board Policy 2.2). When resolution cannot be obtained with an individual Board member, the Chairman will lead a full review by the Board of the violation of the policy and discussion of corrective actions to be taken.
- 2.7.1.8 After consultation with the President and Chief Administrative Officer or upon request of at least twenty percent of the members, call special meetings of the Board.
- 2.7.1.9 Notify members of the Board if a limitation of Board policy is believed to have been violated and initiate appropriate action.
- 2.7.1.10 Directly or by the chairman's delegation, respond to correspondence addressed to the Board of Directors. In all cases a prompt reply of acknowledgement, explanation, and thank you should be sent. The explanation should describe if it is Board business and what process will be followed for the issue. A copy of all Board correspondence should be retained and a copy of relevant correspondence should be provided to the members of the board.
- 2.7.1.11 At an appropriate time during each meeting, conduct an executive session review at the end of the meeting focusing on the efficiency of the meeting; the adequacy of the information provided; any guidance to the CAO, CFO, committees or the board chair regarding improvements or changes for future meetings; and any other matters identified by the board. This executive session will typically be attended by only the voting members and the nonvoting member of the board.

2.7.2 Vice-Chairman

2.7.2.1 Preside at meetings of the Board in the absence of the Chairman.

2.7.2.2 Carry out responsibilities as may be assigned by the Chairman or by the Board.

2.7.2.3 Discuss with the Chairman any violation of policy on the part of the Chairman and possible corrective action

2.7.3 Secretary

2.7.3.1 The Secretary of the Synod, in accordance with the Bylaws of the Synod, is the Secretary of the Board (Bylaw 3.3.3). In serving the Board, he shall:

2.7.3.1.1 Record the official minutes of the Board's meetings and direct their distribution to the members of the Board, the Synod vice-presidents, and the Chief Administrative Officer.

2.7.3.1.2 Provide minutes of Board meetings, including pending minutes and excluding executive sessions, to any primary partner (Board Policy 2.5) or member of the Synod who requests them , primarily directing them to the board's web page. He is to see that pending minutes, excluding executive sessions, are posted to the Synod website in a timely fashion by the Office of the Chief Administrative Officer.

2.7.3.1.3 Provide the Synod archives with approved minutes.

2.7.3.1.4 Preserve regular and special reports made to the Board and, at its direction, make summaries or copies of them available to its members.

2.7.3.1.5 Record Executive Committee minutes and distribute them within two weeks to the Board members.

2.7.3.1.6 Issue a call for nominations for Board appointments, obtain and provide background information on all nominees and assist the Board in the screening process through the Personnel Committee.

2.7.3.1.7 Notify persons elected or appointed by the board of such election or appointment and convey the thanks of the BOD to those persons who were nominated but not selected

2.7.3.1.8 Assist the Chief Administrative Officer in communicating Board actions.

2.8 Officers of the Synod Serving on the Board of Directors

2.8.1 The full-time Synod officers serving on the Board as voting members are the President and Secretary and as a non-voting member, the First Vice President. The Chief Administrative Officer, the Chief Financial Officer and Chief Mission Officer shall be advisory to the Board.

2.8.2 Except as provided for in the Constitution and Bylaws, no full-time Synod Officer shall assume any part of the management responsibilities of the Board or those responsibilities delegated to its Chief Administrative Officer who, under Bylaws 3.4.2 and 3.3.4.4 (c), will serve as its Chief Operating Officer.

2.8.3 The Board pursuant to Bylaw 3.3.4.4 (c), may assign to the full-time Synod officers as members of the Administrative Team (Bylaw 3.5.1), specific tasks for which they will be responsible to the Board.

2.9 Executive Committee of the Board of Directors

2.9.1 The Chairman, Vice Chairman and one other voting member elected by the Board, together with the President of the Synod or in his absence the First Vice-President (Article XI, C, 1) and the Secretary of the Synod, shall constitute the Executive Committee of the Board. The Chief Administrative Officer,

the Chief Mission Officer, and the Chief Financial Officer shall be advisory members of the Committee.

- 2.9.2 The “one other voting member” shall be elected by the Board in the first meeting after the Synod convention. The election shall be by simple majority and take place immediately after the election of the vice chair of the Board (see Board Policy 2.6)
- 2.9.3 The Executive Committee, in accordance with Bylaw 1.5.3, may act on behalf of the Board in times of emergency between Board meetings and in all matters delegated to it by specific action or by policy of the Board, including response to legal action. Minutes of the Executive Committee shall be sent to the Board within two weeks of the Committee action.
- 2.9.4 Executive Committee Meetings may be called by
 - 2.9.4.1 the Chairman of the Board,
 - 2.9.4.2 the President, in consultation with the Chairman, or
 - 2.9.4.3 a majority of the Executive Committee.
- 2.9.5 Three voting members shall constitute a quorum of the Executive Committee.

2.10 Committees of the Board of Directors

2.10.1 The standing committees of the Board shall be

Audit Committee

- 2.10.1.1 An Audit Committee of at least three voting members of the Board which will meet at least semi-annually with the Executive Director of Internal Audit. The Committee Shall:
 - 2.10.1.1.1 Operate under the Audit Committee Charter (Board Policy 5.3.2)
 - 2.10.1.1.2 Approve the annual plans for and review the work of the Internal Audit Department
 - 2.10.1.1.3 Meet at least annually with the independent auditors to discuss their findings
 - 2.10.1.1.4 Monitor the audits of the Agencies of the Synod
 - 2.10.1.1.5 Recommend Board action on those audit matters requiring Board approval (Board Policy 3.2.4)

Personnel Committee

- 2.10.1.2 A Personnel Committee of at least three voting members of the Board which will meet at least annually with the Chief Administrative Officer and the Executive Director of Human Resources. The Committee shall:
 - 2.10.1.2.1 Monitor the compensation system of the International Center.
 - 2.10.1.2.2 Monitor the Human Resources Policies and recommend Board action on those human resources matters requiring Board approval (Board Policy 3.2.6)
 - 2.10.1.2.3 Serve as a screening and, when appropriate, a nominating committee of the Board for appointments to Synod corporations, boards, and commissions.

Governance Committee

- 2.10.1.3 A Governance Committee of at least three voting members of the Board which will meet at least semi-annually. The Committee shall:
 - 2.10.1.3.1 Review, make recommendation, and publish the Board's Policy Manual

2.10.1.3.1.1 Specific recommendations for new or amended policies must be submitted to the Governance Committee for review prior to consideration by the Board. The Committee will report to each board meeting as necessary and recommend board action on policy changes.

2.10.1.3.2 Provide input to Chair and Chief Administrative Officer regarding board meeting calendar to insure alignment with budget and strategic planning calendar.

2.10.1.3.3 Plan a triennial retreat for the Board of Directors, in coordination with the Chairman and the Chief Administrative Officer.

2.10.1.3.4 Review the composition of the Board at the beginning of each Triennium and, as necessary, make recommendation to the Board regarding any skill sets needed to effectively govern for the coming Triennium.

2.10.1.3.4.1 Begin the process for the Board to decide whether to appoint additional Board members each triennium after the synodical Convention and before the September Board meeting. Consider the qualifications, experience, and expertise of all Board members collectively and determine whether additional qualifications, experience, and expertise would be helpful for the Board to conduct its business.

2.10.1.3.4.2 Make a recommendation to the Board for the Board to consider at its September meeting as to whether the Board should appoint additional Board members, and if so, the number of additional Board members, and the qualifications, experience, and expertise that those additional Board members should possess.

2.10.1.3.4.3 If the Board decides at the September meeting to appoint additional members, the process to be followed will be:

- The Board will identify the number of additional Board members and the qualifications, experience, and expertise that the Board believes should be possessed by any additional Board members appointed;
- Nominations will be solicited from Board members and from any other source that the Board determines can submit nominations, with a deadline not less than two (2) days prior to the Personnel Committee's next meeting prior to the Board's February meeting for nominations specifically stated;
- All nominations will be considered by the Personnel Committee;
- The Personnel Committee will recommend to the Board those candidates that the Personnel Committee believes are most qualified to satisfy the needs as determined by the Board, while all candidates nominated will be eligible for appointment by the Board.

2.10.1.3.4.4 Any additional Board members appointed shall commence with the subsequent February Board meeting.

2.10.1.3.4.5 This process does not preclude the Board from appointing additional Board members at any other time during the triennium

and does not preclude the Board from appointing other individuals to assist the Board in an advisory or consulting fashion without serving as a member of the Board.

- 2.10.1.3.5 Oversee the Appointment process for new directors as identified in Bylaw 3.3.4.1 (6.). Recommend to the Board a slate of candidates for the appointment of any new directors under this bylaw.
- 2.10.1.3.6 Oversee the director performance and board evaluation processes.
- 2.10.1.4 The board may "delegate a specific assignment for a limited time to a committee composed of its own members" (Bylaw 1.5.3.3)
- 2.10.1.5 The board or the chairman "may appoint standing committees of specialists to provide professional or technical assistance to the board ... and may delegate certain responsibilities to such committees while retaining supervision. Standing committees may be made up of or include non-board ... members." (Bylaw 1.5.3.4)
- 2.10.2 Responsibilities of the committees of the Board shall be limited to those specifically established by the Board. Committees of the Board shall not take independent action, but shall report or make recommendations to the entire Board.
- 2.10.3 Committees may use the Chief Administrative Officer or other staff persons designated above to carry out their responsibilities.

2.11 The Leadership Role of the Board of Directors

The Board of Directors members pledge to:

- 2.11.1 Demonstrate honor and Christian love and prayer for other members of the Board at all times;
- 2.11.2 Show respect for others and their opinions;
- 2.11.3 Respect the right of others to disagree;
- 2.11.4 Maintain confidential all executive session discussions and other sensitive matters;
 - 2.11.4.1 Docket material is confidential prior to the meeting.
 - 2.11.4.2 The docket and minutes (other than those for executive session) will be considered non-confidential after the meeting except:
 - Executive Sessions shall be confidential.
 - The legal section and attorney client privileged sections shall be confidential
 - Human resources matters shall be confidential
 - Discussions of pending CCM rulings where BOD input is sought shall be confidential
 - Other sections, materials, or information the Board specifically takes action to keep confidential, are marked confidential, or work in process shall be confidential, with the exception of the agenda.
- 2.11.5 Support and promote open discussion of all issues;
- 2.11.6 Contribute to peace and goodwill in the Board of Directors, the LCMS, and among its congregations and members;
- 2.11.7 Support the above principles in all aspects of Synod; and
- 2.11.8 Exercise special care when discussing Board business and other Synod issues outside of the Board meetings in order to help avoid misunderstandings or confusion.

2.12 Board of Directors' Self-Review

At least annually, the Board shall formally evaluate its effectiveness and efficiency, including the following:

- 2.12.1 The Board's ability and effectiveness in carrying out its constitutional responsibilities (Board Policy 2.1)
- 2.12.2 The Board's ability and effectiveness in developing, adhering to, refining, and monitoring Board policy (Board Policy 2.2).
- 2.12.3 The Board's effectiveness in carrying out its leadership role (Board Policy 2.11)

2.13 Corporate Synod Effectiveness Assessment

- 2.13.1 Every two years, the national office of The Lutheran Church—Missouri Synod will review its goals and objectives – established by the President in consultation with programs leadership – toward achieving its mission and will complete a performance and effectiveness assessment of its programs based on that review.
- 2.13.2 Such an assessment will be conducted under the joint authority of the Office of the President and the Board of Directors. The most recent report shall be presented to the members of The Lutheran Church—Missouri Synod as a report to each convention of the synod. The report shall include summaries of
 - 2.13.2.1 Activities undertaken in the prior two years to achieve its goals and objectives,
 - 2.13.2.2 Measures used to assess the effectiveness in achieving the goals and objectives,
 - 2.13.2.3 Effectiveness of the programs in achieving the stated goals and objectives,
 - 2.13.2.4 Future actions that might be taken to him and in increase effectiveness based on the findings
 - 2.13.2.5 At the conclusion of each biennial process, the President, in consultation with the program unit leadership, is encouraged to revise the goals and objectives, as needed, for the upcoming period and will suggest means of measuring them.

3 Board of Directors and Officer Relationship Policies

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3.1 Board of Directors' Manner of Delegating

The Board retains all its authority under the Synod's Constitution and Bylaws (Article XI, E, 2; Bylaw 3.3.4) but delegates to its Chief Administrative Officer the exercise of its authority within the limitations in Section 4 of this Policy Manual.

3.1.1 Duties Not Delegated

The Board shall not assign or delegate to the Chief Administrative Officer responsibilities or duties specifically reserved in the Synod Handbook or in the Board Policy Manual (3.2) to the Board or assigned to committees, consultants, other Synod boards or commissions, and Synod or Board officers.

3.1.2 Board Action Required

Board action is required on matters as defined in the Synod Handbook or Section 3.2 of this Policy Manual. Other matters are delegated to the Chief Administrative Officer. The Chief Administrative Officer may use his discretion in handling matters delegated by the Board so long as he complies with the Constitution, Bylaws, and convention actions of the Synod, applicable laws, and Board policies. The Chief Administrative Officer may delegate to Synod departments responsibility to carry out tasks in accordance with Board policies. Any other party operating under the authority of the Board shall generally receive that authority from the Chief Administrative Officer or a person designated by him. The Director of Internal Audit and Director of Human Resources, however, shall have direct access to the Board and its Audit Committee, and Personnel Committee respectively.

3.2 Matters Requiring Board of Directors' Action

Where specific Board actions are required, the Chief Administrative Officer shall ordinarily bring recommendations to the Board for action. The following matters require Board action:

3.2.1 Budgets

- 3.2.1.1 Approval of the Annual Mission and Ministry Operating Budget and the unit level Strategic Plans of the Synod, including its allocation to boards, offices, commissions, and departments within the context of a triennial common vision.
- 3.2.1.2 Approval of the annual capital budget for the Synod.
- 3.2.1.3 Approval of spending deviations from the budgets as stipulated in Board Policy 4.2.
- 3.2.1.4 Approval of budgets for Synod conventions, convocations, gatherings and celebrations.

3.2.2 Accounting

- 3.2.2.1 Designation of unrestricted net assets
- 3.2.2.2 Responses to requests for inspection of financial records which the Chief Administrative Officer or Chief Financial Officer deems need not be provided pursuant to Bylaw 1.5.4.

3.2.3 Financial Transactions

- 3.2.3.1 Approval of Lines of Credit for borrowing by Corporate Synod.
- 3.2.3.2 Approval of capital borrowing by Corporate Synod.
- 3.2.3.3 Approval of Guarantees of Indebtedness of Agencies of the Synod.
- 3.2.3.4 Approval of authorizations to sign contracts and to deal in securities.
- 3.2.3.5 Authorizing the Chief Financial Officer to open bank accounts. The Chief Financial Officer is to report each account opening to the Board at the next scheduled meeting.

3.2.4 Audit

Based upon recommendation of Board's Audit Committee)

3.2.4.1 Selection of outside audit firm.

3.2.4.2 Official receipt of audited financial statements upon recommendation of the Board's Audit Committee.

3.2.4.3 Appointment of the Executive Director of Internal Audit.

3.2.4.4 Changes in the Audit Committee Charter.

3.2.4.5 Changes in the Internal Audit Charter.

3.2.5 Property

3.2.5.1 Changes in the authority to make purchases and sales and approved capital debt additions (Board Policy 4.6).

3.2.6 Human Resources

(Based upon recommendation of Board's Personnel Committee)

3.2.6.1 Setting or changing the salary classifications and ranges for corporate Synod.

3.2.6.2 Setting or changing the salaries of elected and appointed Officers of the Synod.

3.2.7 International Center Facilities

3.2.7.1 Changes in the International Center Ownership Agreement, including composition of the International Center Facilities Committee.

3.2.7.2 Approval of additional land, new buildings, or space expansions on the International Center properties or off-site leased facilities.

3.2.8 Administrative Policies

3.2.8.1 In consultation with the President, changes in the position description of the Chief Administrative Officer or the Chief Financial Officer.

3.2.8.2 Submission of Board overtures to the Synod convention.

3.2.8.3 Selection of the location for LCMS Regular Conventions upon recommendation of the Convention Manager [Bylaw 3.1.9 (j)(2)] and the Chief Administrative Officer

3.2.8.4 Changes in the Contingency Plan if Chief Administrative Officer or Chief Financial Officer is unable to carry out their responsibilities.

3.2.9 Legal and Governmental

3.2.9.1 Changes in legal policies

3.2.9.2 Selection of general counsel for the Synod for a three-year renewable period. Such selection to take place at the first board meeting of the calendar year after each regular LCMS Convention with the engagement or renewal to begin at the beginning of the subsequent fiscal year (July).

3.2.9.3 Selection of special counsel for legal matters of synod-wide significance.

3.2.9.4 Approval to initiate any and all lawsuits, arbitrations, or administrative proceeding on behalf of the Synod or corporate Synod. In cases of emergency the Executive Committee of the Board may make such decision. In an instance of emergency where time is of the

essence, the executive committee shall make a decision which shall be subject to ratification by the BOD.

- 3.2.9.5 Approval of responses to litigation which may have broad Synod impact
- 3.2.9.6 Approval of individual legal claim settlements in excess of \$100,000
- 3.2.9.7 Approval of new corporations (Bylaw 3.6.1.1 and Board Policy 5.8.27).
- 3.2.9.8 Review and adoption of administrative legal policies for corporate Synod and agencies of the Synod

3.3 Board of Directors' Executive's Accountability

The Chief Administrative Officer is the board's executive officer and shall be accountable to the Board in accordance with Board policies and the position description for the Chief Administrative Officer. The Chief Financial Officer is also accountable to the Board in accordance with Board policies and the position description for the Chief Financial Officer.

3.4 Exceeding Board of Directors' Executive's Limitations

3.4.1 Notice by Chief Administrative Officer

The Chief Administrative Officer shall give an immediate notice to the Board once a limitation has been recognized to have been exceeded. If the exceeded limitation is immediately correctable, the Chief Administrative Officer shall take immediate action within policies and report the results to the Board. If the exceeded limitation is not immediately correctable, the Chief Administrative Officer shall share with the Board his plan for corrective action.

3.4.2 Notice by a Board Member

Board members shall bring to the Chairman's attention any condition or action believed to exceed an Executive Limitation Policy. Depending on the nature of any exceeded limitation, the Chairman may request the Chief Administrative Officer to take action or develop a plan for corrective action, or may bring the matter to the Board for evaluation of the policy and appropriate action.

3.4.3 Notice of Exceeding a Limitation

There may be a valid reason for exceeding a limitation of a Board policy. Prior to exceeding any limitation, the Chief Administrative Officer shall seek counsel from the Executive Committee through the Chairman of the Board.

3.4.4 Unacceptable Violations

After a major infraction, a number of recurrences of an exceeded limitation, or inappropriate conduct, the Chairman shall arrange with the President a special review of the performance of the Chief Administrative Officer or the Chief Financial Officer and with the approval of the Executive Committee take necessary and appropriate action.

3.5 Means of Monitoring by Board of Directors

The Board shall employ the following avenues of monitoring.

3.5.1 Receive and review management reports

(These are periodic reports that provide information and counsel to the Board on programs, trends and developments that may affect its work and which report on Chief Administrative Officer compliance with Board policies.)

- 3.5.1.1 Receive and review yearly reports from the Chief Administrative Officer on the economic and demographic conditions and trends that affect The Lutheran Church—Missouri Synod.

3.5.1.2 Receive and review quarterly reports from the Chief Administrative Officer on the programmatic activities and plans of the Synod.

3.5.2 Direct Monitoring

(See Section 4—Board of Directors' Executive Limitation Policies)

The Board of Directors shall review for compliance with Board and management policies and for possible change or suggestion:

3.5.2.1 Annually, the outcomes of the Synod in relationship to the triennial common vision and quarterly the financial condition of the Synod.

3.5.2.2 Changes in spending levels throughout the year as authorized by the Chief Financial Officer

3.5.2.3 Annually, or upon change, the current accounting policies as approved by the Chief Financial Officer.

3.5.2.4 Quarterly reports on financial transactions delegated to the Chief Administrative Officer and Chief Financial Officer.

3.5.2.5 Through the Audit Committee, the audit reports of the Agencies of the Synod

3.5.2.6 Quarterly reports on property transactions delegated to the Chief Administrative Officer and Chief Financial Officer.

3.5.2.7 Annually the report on insurance levels established by the Chief Financial Officer.

3.5.2.8 Annually, or upon change, the current employee handbook as approved by the Board of Directors and annually the salaries of unit executives on the payroll of Corporate Synod.

3.5.2.9 Annually, or upon change, the current building management and general services policies as approved by the International Center Facilities Committee.

3.5.2.10 Annually, or upon change, the current management policies and procedures as approved by the Chief Administrative Officer.

3.5.2.11 Legal matters as provided in the Board policies.

3.5.2.12 Minutes of synodwide corporate entities, mission boards, and commissions

3.5.2.13 Through the Chief Administrative Officer, individual members of the board may request additional information that would be reported to the Board and that may help the Board as a whole in exercising its monitoring responsibility (see Policy 2.2.3)

3.5.3 Chief Administrative Officer and Chief Financial Officer Performance Reviews

The Board shall review the performance of the Chief Administrative Officer and Chief Financial Officer employing the following process:

3.5.3.1 The Board shall conduct an annual performance review of the Chief Administrative Officer (CAO) and the Chief Financial Officer (CFO).

3.5.3.2 The annual review shall normally be done in conjunction with the performance review process in place for all International Center staff.

3.5.3.3 The Board chair, with assistance from the Personnel Committee of the Board, shall solicit input from all voting members of the Board regarding the performance of the CAO and the CFO and recommended goals for the upcoming year.

3.5.3.4 The Board chair shall solicit input from the CAO and CFO regarding challenging yet reasonable goals and objectives for the upcoming year.

3.5.3.5 The Board chair shall prepare a composite of the feedback received using the International Center's performance review form.

- 3.5.3.6 The Board chair shall present the composite review to the Board for consensus and agreement on the overall performance review and rating, along with the goals and objectives identified for the upcoming year/ triennium.
- 3.5.3.7 The Board shall determine if recognition in the form of a bonus is to be awarded.
- 3.5.3.8 The Board chairman and the chairman of the Personnel Committee shall normally sign the performance reviews and, on behalf of the Board, conduct the review, share the established goals and objectives, and, when approved by the Board, authorize a bonus for the CAO and/or the CFO.
- 3.5.3.9 The signed performance review shall then be forwarded to the Department of Human Resources and kept as an official document in the personnel file.
- 3.5.3.10 The performance review conducted each third year shall be a comprehensive review whereby the Board chairman and the chairman of the Personnel Committee, using the services of the executive director of human resources, shall solicit input from the members of the Board as well as other LCMS leaders including a number of district presidents, LCMS unit executives, and chief executive officers of the synodwide corporate entities.

3.6 Board of Directors' Docket and Agenda

3.6.1 The Board docket structure shall consist of four sections:

- 3.6.1.1 Management Reports, including "big picture" items and reports on performance to approved plans.
- 3.6.1.2 Policy/Governance/"Big Picture" Issues, including action requests from other boards, commissions, and corporations.
 - Board Governance Matters, including policy review
 - Synod Matters
 - Synodwide Board Matters
 - Legal Matters
- 3.6.1.3 Monitoring of agencies and corporate Synod departments via performance reports (posted in the 'Resources' area of BoardEffect) .
- 3.6.1.4 Informational Items (research, reports, presentation materials, etc.).

3.6.2 Consent Agenda

- 3.6.2.1 The Board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time to education and discussion of substantive issues.
- 3.6.2.2 The consent agenda should consist of routine matters that require board action. Typically, these items include the approval of minutes, acceptance of officer and other written reports (excluding the quarterly financial/budget report), and adoption of routine or non-controversial action items.
- 3.6.2.3 The board chair shall be responsible to approve the proposed consent agenda for each meeting upon recommendation of the Chief Administrative Officer. The consent agenda shall be distributed with the meeting docket no less than one week prior to the meeting. The consent agenda will be presented to the board for adoption as soon as practicable after the opening devotion on the first day of the meeting.
- 3.6.2.4 Any item which appears on the consent agenda may be removed from the consent agenda upon request by a member of the Board. Items removed from the consent agenda will be considered at another time during the meeting as determined by the Chairman. The remaining items will be voted on by a single motion to approve the consent agenda. The

approved motion will be recorded in the minutes, including a listing of all items appearing on the consent agenda.

3.6.3 Confidentiality of Board Agenda and Docket Materials

No one shall make public the agenda or docket materials for Board of Directors meetings or Board committee meetings before the end of the respective meeting.

3.6.4 Confidentiality of Other Matters

All persons, including board members and officers shall maintain confidential all executive session discussions to which they are privy and all other sensitive matters which the Board of Directors determines should not be made public.

4 Board of Directors' Executive Limitation Policies

The Chief Administrative Officer is empowered to take appropriate action on behalf of the Board except on matters reserved to the Board (Board Policy 3.1.2). The Chief Administrative Officer's responsibilities are defined Bylaw 3.4.2. The Chief Financial Officer's responsibilities are defined Bylaw 3.4.1. These limitation policies are placed on the Chief Administrative Officer's and the Chief Financial Officer's efforts to achieve the Board's desired outcome (Board Policy 1.1). In carrying out the responsibilities of these positions they shall act in a Christian manner that is ethical, prudent, and consistent with these policies, the Constitution and Bylaws of The Lutheran Church—Missouri Synod, and within such limitations, the applicable federal and state laws.

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4.1 Executive Limitation on Financial and Operating Plans

All actions of the Chief Administrative Officer and Chief Financial Officer shall be carried out in a sound and prudent fiscal manner which shall not jeopardize the financial strength of The Lutheran Church— Missouri Synod

4.2 Board of Directors' Executive Limitation on Budget Matters

The Chief Financial Officer, in consultation with the Synod's officers, the President of the Foundation, the International Center Facilities Committee, the Committee for Human Resources and the executive directors of the mission offices, commissions, and departments, is responsible for presenting to the Synod's Board of Directors for approval at its May meeting the annual operating and capital budgets for corporate Synod and for necessary adjustments in the course of the year. In carrying out these responsibilities, the Chief Financial Officer shall:

- 4.2.1 Not carry out actions which will maintain a negative balance in unrestricted net assets.
- 4.2.2 Not establish or change management policies for budgets and revenue without reporting them to the Board.
- 4.2.3 Not provide the "Program Budget" to appropriate district personnel and members of the Synod requesting such information and provide summary budget information for publication in the official periodicals of the Synod without first providing it to the Board.
- 4.2.4 Not accept unbudgeted restricted gifts in excess of \$100,000 without reporting them to the Board.
- 4.2.5 Not allow negative deviations from the budget by any unit in excess of an aggregate of 5 percent without proposing a corrective plan to the Board.
- 4.2.6 Not allow corporate Synod debt or debt that has been guaranteed to go unpaid (both principal and interest).
 - 4.2.6.1 Not allow debt or debt that has been guaranteed to be incurred without evidence that the debt can be serviced (Business Plan).
- 4.2.7 Not allow new debt or debt that has been guaranteed that will not be fully amortized over a term longer than the shorter of the economic life of the asset or 25 years.
- 4.2.8 Not allow an operating budget to be presented for approval which does not include provisions for:
 - 4.2.8.1 Honoraria or other appropriate means to recognize the service of the elected Synod vice presidents 2-6, such amount to be recommended by the Board of Directors Personnel Committee.
 - 4.2.8.2 An allowance for the President of the Synod for entertainment and vehicle expenses, such amounts to be recommended by the Board of Directors Personnel Committee.
- 4.2.9 Set an effective and equitable support rate (percentage) applicable to all charitable gifts (except as otherwise specified in Board Policy 4.2.10), grants and bequests, including district pledge receipts.
 - 4.2.9.1 Such rate shall be at or below the limit of 'prudent' as defined by donor advocacy groups such as: the Better Business Bureau's Wise Giving Alliance, Charity Navigator and GuideStar, but which is sufficient to fund the Mission Advancement unit as they provide fund-raising and donor care services.
 - 4.2.9.2 In determining the annual support rate, the Chief Financial Officer shall take into account actual Mission Advancement expenditures as a percentage of all audited Synod expenditures over the three most recently completed fiscal years.
- 4.2.10 Set an effective and equitable "specific natural disaster response" support rate (percentage) applicable to gifts resulting from appeals issued in response to a specific natural disaster (such as are

not accounted for in the anticipated revenue and spending plan). Such rate is not to exceed the general support rate as defined in Board Policy 4.2.9.

4.3 Board of Directors' Executive Limitation on Accounting Policies

The Chief Financial Officer is responsible for establishing accounting policies and procedures for the Synod which comply with "Generally Accepted Accounting Principles" for not-for-profit organizations as determined by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants. In carrying out these responsibilities, the Chief Financial Officer shall:

4.3.1 Not allow accounting policies and procedures which exclude:

4.3.1.1 The "controllership" responsibilities of the Chief Financial Officer.

4.3.1.2 Accounting systems with internal controls designated to prevent and detect fraud.

4.3.1.3 Approval of all expense vouchers prior to payment by someone other than the traveler from a list of authorized signatures as determined by the Chief Administrative Officer.

4.3.1.4 Levels of approval of purchase orders and disbursements.

4.3.1.5 Compliance with provisions of the Internal Revenue Code and related regulations.

4.3.2 Not designate unrestricted net assets without prior Board approval.

4.3.3 Not provide the Audited Financial Statements of the Synod to appropriate district personnel and others who request such statements or provide summaries thereof for publication in the official periodicals of the Synod without first providing them to the Board.

4.3.4 Not allow management policies for accounting which conflict with "Generally Accepted Accounting Principles" for not-for-profit organizations and which do not provide proper internal controls and reports.

4.4 Board of Directors' Executive Limitation on Financial Transactions

The Chief Financial Officer and the Chief Administrative Officer are responsible for establishing and maintaining policies and procedures for handling financial transactions. In carrying out these responsibilities, the Chief Administrative Officer shall:

4.4.1 Not allow financial transaction policies and procedures which do not specifically clarify:

4.4.1.1 Using LCMS Foundation or LCEF where appropriate.

4.4.1.2 Use, investment, and loaning of restricted funds.

4.4.1.3 Depositing surplus funds with Synod

4.5 Board of Directors' Executive Limitation on Audits

The Executive Director of Internal Audit is accountable to the Board through its Audit Committee and to other corporate and trust boards for services rendered to them. Administratively, however, the Executive Director of Internal Audit reports to the Chief Financial Officer. The Executive Director of Internal Audit establishes audit policies and procedures which comply with generally accepted accounting and auditing principles and procedures as determined by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and the Institute of Internal Auditors. It shall be the duty of the Executive Director of Internal Audit to make reports directly to the Audit Committee when deemed appropriate. In carrying out these responsibilities, the Chief Financial Officer shall:

4.5.1 Not engage outside auditors, appoint the Executive Director of Internal Audit, change the Internal Audit Charter, or approve the Internal Audit's Annual Plan without prior approval of the Board.

- 4.5.2 Not keep from the Board's Audit Committee the audit reports, management letters, and management's response to management letters of other corporate and trust entities of the Synod including summaries of audits of districts and educational institutions.
- 4.5.3 Not restrict direct access to the Board or its Audit Committee by the outside auditors or the Executive Director of Internal Audit.

4.6 Board of Directors' Executive Limitation on Property and Purchasing

- 4.6.1 The Synod's Chief Financial Officer serves as the Board's representative on property and purchasing matters involving other corporate and trust entities.
- 4.6.2 The Chief Administrative Officer, in coordination with the Chief Financial Officer is responsible for establishing administrative policies and procedures for handling property and purchasing matters. In carrying out these responsibilities, the Chief Administrative Officer and Chief Financial Officer shall:
 - 4.6.2.1 Authorize limits for all expense, purchasing, contracts and property transactions for Corporate Synod and its subordinated organizations and entities. (Note that property transactions involving real property [any property that is attached directly to land, as well as the land itself] must be authorized by the Board of Directors and contracts can only be signed by a board-designated signatory.).

<u>Required Signature</u>	<u>Authorization Limit</u>	<u>Monitored by</u>
LCMS Board of Directors	>\$1,000,000	
Two BOD Designated Signatories (typically the CAO and CFO)	\$500,000 - \$999,999	Bd. of Directors
One BOD Designated Signatory (typically the CAO or CFO)	Up to \$500,000	Bd. of Directors
Officer (Supervisor of Unit)	Up to \$150,000	CAO & CFO
Unit Executive	\$25,000	CAO & CFO
Unit Staff	\$10,000 only with direct authorization of the Unit Executive and Director of Accounting	Exec. Dir. of Accounting Exec. Dir. of Gen. Services

- 4.6.2.2 Not allow management policies for the acquisition or disposition of property which do not provide for proper evaluation of property transactions prior to their approval.

4.7 Board of Directors' Executive Limitation on Insurance

The Chief Administrative Officer, in coordination with the Chief Financial Officer of the Synod, is responsible for establishing administrative policies and procedures for handling insurance matters. The Chief Financial Officer serves as the Board's representative on insurance matters involving other corporate and trust entities. In carrying out these responsibilities, the Chief Administrative Officer and Chief Financial Officer shall:

- 4.7.1 Report to the board all changes to the type of insurance policies or minimum policy limits and maximum deductibles.
- 4.7.2 Not fail to maintain administrative policies and procedures for Corporate Synod regarding insurance matters. The policies shall include:
 - 4.7.2.1 Reporting Litigation to Insurance Carriers
 - 4.7.2.2 Reporting Non-Legal Claims to Insurance Carriers
 - 4.7.2.3 Reporting Claims That May Lead to Litigation
 - 4.7.2.4 Indemnification, including
 - 4.7.2.4.1 Insured Claims — Indemnification of Deductible Amount
 - 4.7.2.4.2 Uninsured Claims — Indemnification of District Presidents
 - 4.7.2.4.3 Provisions and Conditions Applicable to Indemnification Provisions and Conditions Applicable to Indemnification
- 4.7.3 Not fail to maintain administrative policies and procedures for agencies of the Synod regarding insurance matters.
 - 4.7.3.1 Reporting Litigation to Insurance Carriers
 - 4.7.3.2 Reporting Non-Legal Claims to Insurance Carriers
 - 4.7.3.3 Claims That May Lead to Litigation
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 - 4.7.3.4.2 Uninsured Claims — Indemnification of District Presidents
 - 4.7.3.4.3 Provisions and Conditions Applicable to Indemnification Provisions and Conditions Applicable to Indemnification

4.8 Board of Directors' Executive Limitation on Human Resources

The Board has delegated to the Committee for Human Resources the approval of human resources policies and procedures, including the International Center Employee Handbook and the Human Resources Management Guidelines. The Chief Administrative Officer is the Board's representative on the Committee. Membership and management of the Committee is detailed in BOD Policy 5.6.6. The Committee appoints the Executive Director of Human Resources who is an advisory member of the Committee. Human resources' policies and procedures approved by the Committee shall conform to federal and state law and regulations and the provisions of the Synod Handbook. In carrying out these responsibilities, the Chief Administrative Officer shall:

- 4.8.1 Not establish or change human resource policies and procedures in those areas reserved to the Board (Board Policy 3.2.6) without prior Board approval.
- 4.8.2 Not allow Committee for Human Resources or management policies which conflict with applicable law and the provisions of the LCMS Handbook.

4.9 Board of Directors' Executive Limitation on International Center Facilities and Services

The Board, as well as other owners of the International Center, has delegated to the Facilities Committee responsibility for the operation of the LCMS International Center properties, the buildings, and any off-site leased facilities. The Chief Financial Officer is the Board's representative on the Facilities Committee which also includes the executive officers (or their designees) of the Lutheran Church Extension Fund, The Lutheran

Church—Missouri Synod Foundation, and the Concordia Plan Services as voting members and the Synod's Chief Administrative Officer as an advisory member. The Facilities Committee, which is chaired by the Chief Administrative Officer, establishes policies and procedures for operating the building and providing office services. In carrying out these responsibilities, the Chief Financial Officer shall:

- 4.9.1 Ensure changes to the International Center Protocol Agreement or authorization of new buildings or space additions on the International Center properties or off-site leases receive prior Board approval.
- 4.9.2 Ensure that Facilities Committee or management policies do not conflict with the applicable law and provide for the equitable sharing of costs of operating the International Center properties between the entities located therein.

4.10 Board of Directors' Administrative and Relational Policies

The President has certain ecclesial and administrative responsibilities for the Synod. The Board of Directors has responsibility for the property and business affairs of the Synod. The Administrative Team under the leadership of the President and including the First Vice President, the Secretary, the Chief Financial Officer, the Chief Administrative Officer, and the Chief Mission Officer assists the President and the Board of Directors in carrying out their respective responsibilities for oversight, supervision, management, and coordination. Coordination and oversight of financial matters concerning the corporate and trust entities comprising the Synod will be through the Synod's Chief Financial Officer. Coordination of program and service matters will be through the Chief Administrative Officer who serves as an officer of the Synod and chief operating officer of the Board of Directors. The Administrative team will meet on a regular basis in carrying out their respective management responsibilities. In carrying out these responsibilities, the Chief Administrative Officer shall:

- 4.10.1 Carry out the decisions of the Board of Directors as it may direct.
- 4.10.2 Assist the President, as he directs, in carrying out his responsibilities.
- 4.10.3 Meet regularly with the leadership of the mission offices, commissions, and synodwide corporate entities as the liaison with the Board of Directors.
- 4.10.4 Provide leadership to assure that the mission and ministry activities of the church are being carried out in a coordinated, cooperative and efficient manner.

4.11 Board of Directors' Executive Limitation on Legal and Governmental Matters

The Board has reserved for itself the approval of all legal policies, but has delegated to its Chief Administrative Officer the responsibility for maintaining liaison with Synod's general counsel and for making certain legal decisions. In carrying out these responsibilities, the Chief Administrative Officer shall:

- 4.11.1 Not allow changes in legal policies without prior Board approval.
- 4.11.2 Not engage special counsel without informing the Board of such engagement.
- 4.11.3 Not keep from the Board the commencement of any litigation against the Synod.
- 4.11.4 Not fail to report litigation to insurance carrier(s).
- 4.11.5 Have authority to approve individual legal claim settlements up to \$100,000. Such settlement shall be done in consultation with the Chief Financial Officer.
- 4.11.6 Not respond to litigation in those areas reserved to the Executive Committee.
- 4.11.7 Not keep from the Board decisions to participate in legal proceedings as Amicus Curiae or in support of any member congregation.
- 4.11.8 Not keep from the Board the granting of any powers of attorney.

- 4.11.9 Not fail to maintain administrative policies and procedures for Corporate Synod regarding legal matters and present same to the policy committee of the board for their annual review. The policies/procedures shall include
 - 4.11.9.1 Engagement of general and special legal counsel for the Synod
 - 4.11.9.2 Initiation of litigation by the Synod
 - 4.11.9.3 Responding to litigation brought against the Synod, including
 - 4.11.9.4 Reporting litigation to insurance carriers
 - 4.11.9.5 Reporting non-legal claims to insurance carriers
 - 4.11.9.6 Reporting claims that may lead to litigation
 - 4.11.9.7 Participation as amicus curiae
 - 4.11.9.8 Approval of limited powers of attorney for the Synod
 - 4.11.9.9 Approval of foreign corporations for mission purposes
- 4.11.10 Not fail to maintain administrative policies and procedures for agencies of the Synod regarding legal matters and present same to the policy committee of the board for their review annually. The policies shall include:
 - 4.11.10.1 Reporting of engagement of counsel for agencies of the Synod
 - 4.11.10.2 Initiating litigation by agencies of the Synod
 - 4.11.10.3 Responses to litigation brought against an agency of the Synod
 - 4.11.10.4 Claims that may lead to litigation
- 4.11.11 Not fail to maintain administrative policies and procedures for corporate Synod and agencies of the Synod regarding:
 - 4.11.11.1 Contacts with Government Units
 - 4.11.11.2 Contacts with the Internal Revenue Service by Agencies of the Synod
 - 4.11.11.3 Approval of New Corporations as Agencies of the Synod

4.12 Board of Directors' Executive Limitation on Fund Raising

The Board has delegated to its Chief Administrative Officer the responsibility for assuring that appropriate fund raising practices are in place. In carrying out these responsibilities, the Chief Administrative Officer shall:

- 4.12.1 Not fail to ensure that the Mission Advancement unit has a current and periodically reviewed fund raising policy manual that guides the fund-raising activities of Corporate Synod, its employees, contactors, and volunteers. Such policy manual shall be reviewed annually by the Chief Administrative Officer. Such manual shall include statements regarding:
 - 4.12.1.1 Gift acceptance
 - 4.12.1.2 Fund-raising authority
 - 4.12.1.3 Confidentiality of donor information
 - 4.12.1.4 Honoring donor intent for restricted gifts
 - 4.12.1.5 Compliance with generally accepted ethical fund-raising principles and practices
 - 4.12.1.6 Internal performance reporting of gift activity
 - 4.12.1.7 Conflict resolution

5 BOD Policies for Agencies of the Synod

Board of Directors' Policies Applicable To "Agencies of the Synod"

The Board of Directors is the legal representative of the Synod. It is the custodian of all the property of the Synod, directly or by its delegation of such authority to an agency of the Synod. It exercises supervision over all the business affairs of the Synod except in those areas where the voting members of the Synod through the adoption of Bylaws or by other convention action have assigned specific areas of responsibility to separate corporate or trust entities, and as to those the Board of Directors has general oversight responsibility as set forth in the Bylaws. (Constitution Article XI, Bylaws 1.4.4, 3.3.4) In carrying out these responsibilities, and pursuant to Bylaw 3.3.4 the Board adopts common policies which apply to:

- Synod officers and staff
- Agencies of the Synod (Bylaw 1.2.1 (a))
- Boards, offices, and commissions as defined in Bylaws 1.2.1
- Synodwide corporate entities as defined in Bylaw 1.2.1 (d)
- Concordia Plan Services (Worker Benefit Plans [WBP])
- Districts of the Synod
- Colleges, universities, and seminaries of the Synod

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Editors Note:

Traditionally, this Section 5 contained policies directed to Agencies of the Synod and others. The LCMS Board of Directors is working to separate the policies contained in this section into a more "user friendly" set of policies that are codified and arranged according to audience. During a period of transition, some policies for Agencies will continue to remain in this section.

As policies for Agencies are reviewed and approved by the Policy Committee, they will be moved into separate appendix of this manual.

Appendix A – contains Administrative Policies and Procedures for Agencies of the Synod. These Administrative Policies and Procedures are authorized in BOD Policy 4.11.10.

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5.1 Accounting Policies

5.1.1 Compliance with generally accepted accounting principles

5.1.1.1 Agencies of Synod shall not violate principles or practices of “Generally Accepted Accounting Principles” for not-for-profit organizations as determined by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants.

5.1.2 Compliance with internal revenue service requirements

5.1.2.1 Agencies of the Synod shall not violate IRS requirements.

5.1.3 Recompense of board, commission, and committee members

5.1.3.1 Agencies of Synod shall not compensate board, commission, and committee members other than travel, lodging, meals and other incidentals connected with such service. Exceptions for substitute workers must be approved by the governing board to which the board, commission or committee is accountable.

5.2 Financial Transaction Policies

5.2.1 Sharing of Financial Information

5.2.1.1 Each agency of the Synod shall, within 15 calendar days following their preparation, provide the Synod Chief Financial Officer and Executive Director of Accounting its quarterly interim financial statements, and shall also, within 30 days of receiving its annual audited financial statements, provide the Synod Chief Financial Officer and Executive Director of Accounting its annual audited financial statements. These filings may be in electronic form in a format acceptable to Chief Financial Officer of the Synod.

5.2.1.2 Each agency of the Synod shall respond to requests for financial information in accordance with Bylaw 1.5.4 — Full Financial Disclosure.

5.2.2 Balances on Deposit with the Synod

5.2.2.1 Each college, university, and seminary of the Synod is required under Bylaw 3.10.5.5 (e) (2) and 3.10.6.4 (e) (2) to deposit all funds above an adequate working balance determined by the chief financial officer of the institution in consultation with the Chief Financial Officer of the Synod.

5.2.2.2 Interest earned on donor restricted gifts on temporary deposit with the Synod will not be restricted unless approved by the Board of Directors.

5.2.3 Contributions for Foreign Work

5.2.3.1 Under Section 170 of the Internal Revenue Code, individuals cannot take a tax deduction for contributions made directly to or earmarked for individuals or for foreign corporations not under the control of the Synod. To be deductible, the contribution must be made to a U.S. tax exempt corporation, namely, the Synod or one of its agencies. Contributions to the Synod, with the request that the Synod use those funds in connection with its own operations and activities in a particular foreign country, are deductible for tax purposes.

5.2.3.2 No agency of the Synod shall accept gifts for transmittal to an individual or a foreign corporation not a part of the Synod. An agency risks its tax-exempt status by accepting such gifts and personnel involved in such a matter could be held personally liable. When such gifts are offered, contact should be made with the staff of the Synod's Department for Mission Advancement to try to structure a legitimate way to honor the intent of the potential donor.

5.2.3.3 Each agency of the Synod shall channel all contributions for foreign work through the Synod's Office of International Mission (Bylaw 3.8.3), which, under that same Bylaw, "serves as the only sending agency through which workers and funds are sent to the mission areas of the Synod"

5.2.4 Foreign Bank Accounts and Currency Transactions

- 5.2.4.1 Each agency of corporate Synod shall obtain the approval of the Synod Chief Financial Officer for opening any foreign bank accounts.
- 5.2.4.2 Each agency of corporate Synod shall make any transfers, purchases, or sales of foreign currency through the Synod Chief Financial Officer, who must approve of such transactions.
- 5.2.4.3 Other agencies of the Synod shall consult with the Synod Chief Financial Officer prior to making foreign currency transactions.

5.2.5 Grants by Agencies

- 5.2.5.1 Synodwide corporate entities shall consult with the Synod's Board of Directors prior to making any grants to or for the mission offices or commissions of Corporate Synod.
- 5.2.5.2 The Synod's Board of Directors shall approve the usage of any undesignated surplus funds released to the Synod by synodwide corporate entities. The proposed usage will normally be made in the budgeting process.

5.2.6 Income Management – Fund Raising

The Board believes that it is in the best interest of corporate Synod and its agencies to coordinate certain efforts in developing and administering the annual funding plans.

- 5.2.6.1 The Chief Mission Officer will supervise the fund-raising activity of the national office (2016 Bylaw 3.4.3.6) according to the policies set forth herein, specifying processes and procedures as necessary for proper coordination and facilitation of desired fund-raising outcomes for all corporate Synod mission and ministry functions.
 - 5.2.6.1.1 Each department and unit of corporate Synod shall submit to the LCMS Chief Mission Officer, for his review and approval, all plans that include fund-raising activities or otherwise involve revenue from charitable contributions (gifts, grants, bequests).
 - 5.2.6.1.2 There shall be no fund raising by departments, units or employees of corporate Synod, unless first authorized by the Chief Mission Officer.
 - 5.2.6.1.3 Donor and non-donor constituent records are the intellectual property of corporate Synod and must not be sold, exchanged, used or transferred to other agencies, entities, corporations or individuals unless authorized by the Board of Directors.
 - 5.2.6.1.4 Regular performance reports for corporate Synod fund raising shall be provided by the Chief Mission Officer to the Synod Board of Directors.
- 5.2.6.2 Agencies seeking to use corporate Synod fund-raising support services (and accompanying fund-raising communications services) must first obtain written agreement from the Chief Mission Officer.
- 5.2.6.3 The following functions or activities established by the Synod national convention will be fully funded through the Synod budget process using unrestricted income or assessments. These activities will not have the need to raise funds or accept restricted funds except as approved by the Board of Directors or by action of the Synod national convention: Commission on Constitutional Matters; Commission on Theology and Church Relations; ecclesiastical supervision activities; doctrinal review; meetings and events of the Synod Praesidium, Council of Presidents or Board of Directors; conflict resolution activities; Synod national convention; employment costs (salary/benefits/etc.) of elected officers and support staff.

5.2.7 Signature Authority for Corporate Synod

- 5.2.7.1 The Chief Administrative Officer shall be authorized to sign any legal or business document on behalf of the Synod in every instance where the President or a Vice President of the Synod, acting alone, is authorized to sign such documents on behalf of the Synod.
- 5.2.7.2 In every case where any two officers of the Synod are authorized, acting together, to sign and attest to legal or business documents on behalf of the Synod, the Chief Administrative Officer shall be authorized to sign or attest to such documents on behalf of the Synod as one of the two officers.
- 5.2.7.3 Contracts, purchasing, and financial documents requiring a corporate officer's signature or approval should normally be signed by the Chief Administrative Officer or the Chief Financial Officer. If these officers are unavailable, another corporate officer may sign the document(s) and provide notice to the Chief Administrative Officer of such signature. Expense reimbursement, travel expense, and purchasing card authorizations for corporate officers shall be normally be forwarded to the officer's supervisor or the Chief Administrative Officer for review and authorization.
- 5.2.7.4 The Chief Administrative Officer shall serve as the Assistant Secretary of the Synod for signature purposes.
- 5.2.7.5 Notes issued by corporate Synod, securities transferred by corporate Synod and probate documents shall be signed by or at the direction of the Synod Chief Financial Officer. In accordance with Bylaw 3.4.1.3 (h) borrowing in the name of the Synod requires Board of Directors approval and instruments relating to such borrowing require two signatures—that of the Chief Financial Officer and either the President or Chief Administrative Officer.
- 5.2.7.6 Contracts involving the day-to-day activities of those agencies and departments operating as part of corporate Synod shall be executed by the principal staff person charged with responsibility of administering the program and activities of the respective agency or department or by such other person as approved by the Chief Administrative Officer subject to limitations outlined in Board Policy 4.6.
- 5.2.7.7 Authority for establishing signature authority limits approving purchase orders and expense accounts for Corporate Synod shall be granted by the Chief Administrative Officer.
- 5.2.7.8 Other contracts and legal documents for Corporate Synod shall be signed by the Chief Administrative Officer or the Chief Financial Officer. If neither is available, the President, First Vice President, or the Secretary may sign. If attestation is necessary, the Secretary or an Assistant Secretary should be consulted.

5.2.8 Authorization to Deal in Securities

- 5.2.8.1 Securities received in bequests, legacies and gifts by an agency of the Synod, unless otherwise instructed by the donor, shall be sold at the earliest feasible time and at the highest price possible.
- 5.2.8.2 The governing board of each corporate agency of the Synod shall designate a person(s) to execute securities transactions.
- 5.2.8.3 Securities transactions for corporate Synod shall be executed by the Chief Financial Officer or his designee.
- 5.2.8.4 The Chief Financial Officer is authorized to open accounts with The Lutheran Church—Missouri Synod Foundation for purchasing and selling securities. The LCMS Foundation is authorized to act upon any orders and instructions with respect to such accounts received from the Synod Chief Financial Officer or his designee.

5.2.9 Expense Accounts

All requests for reimbursement (travel expense reports, check requests, etc.) shall be approved by someone other than the payee. Reimbursement requests must be signed, prior to being paid, by the person responsible for the budgeted expense or his/her superior.

5.3 Audit Policies

5.3.1 Audits

5.3.1.1 Audits Required

The Synod and each of its agencies shall have an annual financial statement audit (Bylaw 3.3.4.6 [b]) The Board shall assure itself that these annual financial statement audits are being performed.

5.3.1.2 Selection of Auditors

The governing board for each agency shall engage its auditors. The auditor may be a firm of Certified Public Accountants, a Certified Public Accountant, or, if not prohibited by applicable state or federal law, the Synod's Internal Audit Department. For maximum audit efficiencies and economies, the synodwide corporate and trust entities are encouraged to appoint the same audit firm utilized by the Synod.

5.3.1.3 Sharing of Audited Financial Statements

All agencies of the Synod shall, upon receipt, provide their audited financial statements to the Board of Directors through the Synod's Chief Financial Officer in accordance with Bylaw 3.3.4.6 [c]).

5.3.1.4 Audit Committees

The governing board of each corporate agency shall appoint an audit committee. The board itself may serve as the committee. Each audit committee shall meet at least annually with the agency's auditors.

5.3.2 Board of Directors Audit Committee Charter

5.3.2.1 Purpose

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control management and the Board of Directors have established, and all audit processes of The Lutheran Church-Missouri Synod and related corporate entities.

5.3.2.2 Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

5.3.2.2.1 Make recommendation to the full board regarding the appointment and compensation of any public accounting firm employed by Corporate Synod.

5.3.2.2.2 Oversee the work of and pre-approve all auditing and non-audit services provided by public accounting firms employed by Corporate Synod.

5.3.2.2.3 Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.

5.3.2.2.4 Seek any information it requires from employees or external parties.

5.3.2.2.5 Meet with Synod officers, management, the external auditors, the internal auditors, or outside counsel, as necessary.

5.3.2.3 Composition

The Audit Committee will consist of at least three voting members of the Board and the chairman of the Board or his designee as an ex-officio member with voting privileges. The chairman of the Board will appoint committee members and the committee chair. The Chief Financial Officer and the Chief Administrative Officer of the Board shall serve as advisory members to the committee.

Each committee member will be independent (i.e., free of any relationship that could influence his/her judgment as a committee member).

The committee shall include members with basic expertise in financial management; the committee may consult with an independent financial expert on special topics

5.3.2.4 Meetings

The Audit Committee will meet at least semi-annually, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video conference. The committee will invite members of management, internal auditors, external auditors, or others to attend meetings and provide pertinent information, as necessary. It will conduct executive sessions with external auditors, the Executive Director of Internal Audit, and management, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and presented to the Board of Directors.

5.3.2.5 Responsibilities – Corporate Synod

The Audit Committee will carry out the following responsibilities:

5.3.2.5.1 External Audit

- 5.3.2.5.1.1 Make recommendation to the full Board of Directors regarding the engagement of external auditors to be engaged by the Synod.
- 5.3.2.5.1.2 Review the external auditors' proposed audit scope and approach, including coordination of audit effort with Internal Audit, and pre-approve any non-audit services provided by the external auditors, including tax services, before the services are rendered.
- 5.3.2.5.1.3 Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- 5.3.2.5.1.4 On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 5.3.2.5.1.5 Review with management and the external auditors, upon completion of their financial statement audit, the audit results. In the event the opinion to be rendered on the financial statements is other than unmodified, this review must be completed prior to public release of the financial statements. This review should include:
 - The Synod's annual financial statements and related notes to ensure they are complete and consistent with information known to committee members.
 - The external auditors' audit of the financial statements and their report thereon.

- Significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- The auditor's qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosures and how aggressive (or conservative) the accounting principles and underlying estimates are.
- The scope of the external auditors' review of internal control over financial reporting; the adequacy and effectiveness of those internal controls, including computerized information system controls and security.
- Significant adjustments proposed by the external auditors.
- Unadjusted audit differences identified by the auditors that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- Any significant changes required in the auditors' audit plan.
- Any serious difficulties or disputes with management encountered during the course of the audit.
- Any significant findings and recommendations made by the external auditor, together with management's responses to them.
- Anything else about the audit procedures or findings that generally accepted auditing standards require the auditors to discuss with the committee.

5.3.2.5.1.6 Ensure the opportunity for the external auditors to meet with the entire Board of Directors, as needed, is not restricted in any way.

5.3.2.5.1.7 Review the performance of the external auditors. Solicit comments from management regarding the responsiveness of the external auditors to the Synod's needs and annually recommend to the Board of Directors the retention or replacement of Corporate Synod's external auditors, providing a written summary of the basis for the recommendation.

5.3.2.5.2 Internal Audit

5.3.2.5.2.1 Review and recommend to the Board of Directors the appointment, replacement, or dismissal of the Executive Director of Internal Audit.

5.3.2.5.2.2 Annually review the Synod's Internal Audit Department Charter (Section 5.3.3) and propose changes to the Board of Directors as necessary.

5.3.2.5.2.3 Review and approve the annual audit plan and all major changes to the plan. Ensure the internal and external auditors coordinate their audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

5.3.2.5.2.4 Review with the Executive Director of Internal Audit the following:

- The activities, staffing requirements, organizational structure, and the related budget request of the Internal Audit Department.
- Significant findings on internal audits performed during the year and management's responses to them.
- Any difficulties encountered while conducting the internal audits. Ensure there are no unjustified restrictions or limitations on the scope of their work or access to required information.
- A progress report on the Department's annual audit plan, with appropriate explanations for deviations from the approved plan.

5.3.2.5.2.5 Annually review the performance of the Executive Director of Internal Audit in accordance with Synod policy.

5.3.2.5.2.6 On a regular basis, meet separately with the Executive Director of Internal Audit to discuss any matters that the committee or internal audit believes should be discussed privately.

5.3.2.5.3 Reporting Responsibilities

5.3.2.5.3.1 Regularly report committee activities and significant issues discussed at each meeting to the full Board of Directors and make appropriate recommendations.

5.3.2.5.3.2 Provide an open avenue of communication between internal audit, the external auditors, and the Board of Directors.

5.3.2.6 Responsibilities – Synodwide Corporate and Trust Entities

5.3.2.6.1 Confirm that synodwide corporate and trust boards are exercising their fiduciary responsibilities to donors, investors, beneficiaries, and constituents through their respective audit committees or the board as a whole, functioning as the audit committee.

5.3.2.6.2 Confirm that synodwide corporate and trust boards or their audit committees are meeting with external auditors at least annually.

5.3.2.6.3 Review with management of synodwide corporate and trust entities and/or the Executive Director of Internal Audit any instances when the external auditors render an opinion on the financial statements that is other than unmodified.

5.3.2.6.4 Review with management of the respective entities and/or the Executive Director of Internal Audit all instances of significant deficiencies or material weaknesses in internal controls identified and communicated to the respective boards by the external auditors. Evaluate the adequacy of management's response and any corrective actions taken or planned.

5.3.2.6.5 Inquire of management as to any instances of repeat findings contained in the external auditors' letter to management and the board. Ascertain why corrective action has not been taken by management.

5.3.2.7 Responsibilities – Districts

5.3.2.7.1 Confirm that Synod districts are exercising their fiduciary responsibilities to donors, investors, and constituents through their respective audit committees or the board as a whole, functioning as the audit committee.

- 5.3.2.7.2 Review with the Executive Director of Internal Audit any instances where the district auditors (internal or external) render an opinion on the financial statements that is other than unmodified.
- 5.3.2.7.3 Review with the Executive Director of Internal Audit any instances where the district auditors (internal or external) reported significant deficiencies or material weaknesses in internal controls.

5.3.2.8 Responsibilities – Seminaries, Universities, And Colleges

- 5.3.2.8.1 Confirm that the LCMS Office of Pastoral Education (OPE) and the Concordia University System (CUS) audit committee is reviewing the annual audit reports, communications received from external auditors, and the related responses of the seminaries, universities, and colleges.
- 5.3.2.8.2 Review with management of the OPE and CUS any instances when the external auditors render an opinion on financial statements of the educational institutions that is other than unmodified.
- 5.3.2.8.3 Review with management of OPE and CUS all instances of significant deficiencies or material weaknesses in internal controls identified and communicated to the schools by their external auditors. Evaluate the adequacy of management's response and any corrective actions taken or planned.

5.3.2.9 Responsibilities – Other

- 5.3.2.9.1 Review and assess the adequacy of the committee's charter annually, requesting board approval for proposed changes. Consider changes that are necessary as a result of new laws or regulations.
- 5.3.2.9.2 Confirm annually that all responsibilities outlined in this charter have been carried out.
- 5.3.2.9.3 Institute and oversee special investigations in accordance with the "LCMS Policy on Suspected Financial and Organizational Misconduct".
- 5.3.2.9.4 Inquire of management, the Executive Director of Internal Audit, and the external auditors about significant risks and exposures facing Corporate Synod; assess the steps management has taken or proposes to take to minimize such risks to the organization. Periodically review compliance with such steps.
- 5.3.2.9.5 Review policies and procedures covering officer and key employee expense accounts and perquisites, including excess benefit transactions and their use of corporate assets. Consider the results of any review of these areas by the internal or external auditors.
- 5.3.2.9.6 Perform other activities as assigned by the Synod's bylaws or the Board of Directors.

5.3.3 Synod's Internal Audit Department Charter

5.3.3.1 Internal Audit Department Role

The Synod's Internal Audit Department was established to assure the Board of Directors that the required annual financial statement audits are being performed for all agencies of the Synod. Through the Internal Audit Department, the Board shall receive copies or summaries of all audit reports. In addition, the department assists the Board and management in safeguarding assets and implementing an effective system of internal control for Corporate Synod in order to accomplish stated objectives. The department will also review the effectiveness and efficiency of operations and organizational structures.

5.3.3.2 Audit Planning

The Executive Director of Internal Audit is responsible for properly managing the department so that (1) audit work fulfills the purposes and responsibilities established herein; and (2) resources are efficiently and effectively employed. Annually, the Executive Director shall prepare and submit to the Audit Committee for its approval the audit plan/objectives for the upcoming fiscal year, including the agencies it will audit. This audit plan is to be developed using a risk-based approach. The objectives, once approved by the committee, will be used as a basis for the development of the Internal Audit Department's annual budget, determining staffing requirements, and scheduling of specific audit engagements. At each meeting of the committee, the Executive Director will provide a status report on the progress achieved in meeting those objectives. Any deviations to the approved plan/objectives will be reported to the committee in the status reports.

5.3.3.3 Organization

To promote independence and enable auditors to maintain objectivity to render unbiased judgments, the Internal Audit Department shall be accountable to the Board of Directors through the Audit Committee. The Executive Director shall have the opportunity to meet with the committee at each of its regularly scheduled meetings or at specially scheduled meetings to discuss the results of audits or matters determined to be of interest to the committee. The Executive Director shall have the opportunity at each of the committee's meetings to meet with the committee as a whole without the presence of management personnel, should the need arise. Administratively, to afford the Internal Audit Department appropriate support to accomplish its day-to-day activities, the Executive Director reports to the Chief Financial Officer of the Synod.

5.3.3.4 Scope of Audit Activities

The scope of internal audit activities includes both assurance and consulting services. As a result, audit coverage will encompass financial statement audits and independent reviews and evaluations of management operations and activities to appraise:

- Measures taken to safeguard assets, including tests of existence and ownership and an evaluation of internal controls as appropriate;
- The reliability, consistency, and integrity of financial and operating information;
- Compliance with policies, plans, standards, laws, regulations, and contracts;
- Economy and efficiency in the use of resources;
- Effectiveness in the accomplishment of the mission, objectives, and goals established for the Synod's operations and projects.

Audit activities will be coordinated to the extent possible with the external auditors to avoid duplication of effort, enhance audit efficiency, and maximize audit coverage.

5.3.3.5 Authority

To accomplish its activities, Internal Audit staff members are authorized to have full, free, and unrestricted access to any and all financial and administrative records, data files, computer programs, property, and personnel determined relevant to the performance of assigned engagements. All employees are requested to assist Internal Audit in fulfilling its roles and responsibilities. Internal Audit will have free and unrestricted access to the Chairman of the Board of Directors and the Audit Committee of the Board.

Internal Audit staff members will exercise discretion in the review of records to ensure the confidentiality of all matters that come to their attention. Documents and information given to Internal Audit during a review/audit will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

5.3.3.6 Reporting

A written report will be prepared and issued by Internal Audit at the conclusion of each audit engagement and will be distributed as appropriate. The audit results will also be communicated to the respective board/audit committee of the auditee. Management of the respective auditee is responsible for either planning or taking corrective action on recommendations made or deficient conditions reported by the auditor. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed. Internal Audit shall be responsible for appropriate follow-up on audit findings and recommendations. All significant findings will remain in an open issues file until cleared by the Executive Director of Internal Audit.

5.3.3.7 Independence

The internal audit activity shall remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

In performing their functions, the Internal Audit staff members shall have no direct operational responsibility or authority over any of the activities reviewed. Accordingly, internal auditors will not develop or install systems or procedures, prepare records, make management decisions, or engage in any other activity that could be reasonably construed to compromise their independence. However, in connection with the complementary objectives of this audit function, Internal Audit will recommend accounting and information system policies and procedures for approval and implementation by appropriate management. Therefore, internal audit review and appraisal do not in any way substitute for other activities or relieve other persons in the Synod and its agencies of the responsibilities assigned to them.

5.3.3.8 Professional Standards

The rules of professional conduct and code of ethics of the Internal Audit Department shall be consistent with the professional standards promulgated by the American Institute of Certified Public Accountants and the Institute of Internal Auditors. Specifically, members of the Internal Audit Department will:

- Conduct all audit work leading to the expression of an opinion on financial statements in accordance with auditing standards generally accepted in the United States.
- Conduct all other types of audits not leading to the expression of an opinion on financial statements in accordance with professional standards.
- Exercise honesty, diligence, and responsibility in the performance of their work.
- Exhibit corporate loyalty in all matters pertaining to the business of the Synod and its agencies and not knowingly be a party to an illegal activity or engage in acts that are discreditable to the profession or to the Synod and its agencies.
- Refrain from participating in any activity or relationship or accepting anything that may impair or be presumed to impair their unbiased professional judgment. This participation includes those activities and relationships that may be in conflict with the interest of the Synod and its agencies.
- Be prudent in the use and protection of information acquired in the course of carrying out the duties of the department and not use information obtained for any personal gain or in any manner that would be contrary to the law or detrimental to the welfare of the Synod or any of its components. Any requests of the department for financial or operational information other than that provided to units of the Synod during the normal course of operations of the department will be referred to the appropriate officials of the Synod and its agencies for determination and resolution.

- Use reasonable care to obtain sufficient factual evidence to support conclusions drawn and, in reporting, disclose all material facts known which, if not disclosed, could distort the reporting activities under review or conceal an act which is unlawful or contrary to existing policies.
- Engage only in those services for which they have the necessary knowledge, skills, and experience, and continually improve their proficiency and the effectiveness and quality of the department's services.

5.3.3.9 Periodic Assessment

The Executive Director of Internal Audit should periodically assess whether the purpose, authority, and responsibility of the Internal Audit Department, as defined in this charter, continues to be adequate to enable the internal auditing activity to accomplish its objectives. The result of this periodic assessment should be communicated to the Audit Committee. Proposed changes to this charter shall be submitted to the Governance Committee for approval by the Board of Directors.

5.3.4 Financial Misconduct

5.3.4.1 The Lutheran Church–Missouri Synod is committed to preventing, detecting and reporting fraud, and in cooperating with other organizations to reduce opportunities for fraud.

5.3.4.2 The LCMS and its agencies will manage the fraud risk by:

5.3.4.2.1 Defining, setting and maintaining cost effective control procedures to identify and deter fraud;

5.3.4.2.2 Investigating all incidences of actual, attempted or suspected fraud, and all instances of major control breakdown;

5.3.4.2.3 Encouraging staff to be vigilant and raising fraud-awareness at all levels;

5.3.4.2.4 Ensuring key controls are complied with;

5.3.4.2.5 Providing staff with effective confidential reporting mechanisms and encouraging their use;

5.3.4.2.6 Taking action against individuals and organizations perpetrating fraud against the group and seeking restitution of any asset fraudulently obtained and the recovery of costs;

5.3.4.2.7 Cooperating with the appropriate authorities in the investigation and prosecution of those suspected of fraud.

5.3.4.3 Each corporate agency of the Synod will develop a policy and procedure, including an annual employee acknowledgement, addressing financial misconduct. This policy must address the provisions identified in section 5.3.4 of this manual.

5.4 Property Policies

5.4.1 Property Transactions

The Board "is the custodian of all of the property of the Synod, directly or by its delegation of such authority to an agency of the Synod. It shall exercise supervision over all the property and business affairs of the Synod except in those areas where it has delegated such authority to an agency of the Synod or where the voting members of the Synod through the adoption of bylaws or by other convention action have assigned specific areas of responsibility to separate corporate or trust entities, and as to those the Board of Directors shall have general oversight responsibility as set forth in the Bylaws".(Article XI F 2) (See also Bylaws 1.4.4 and 3.3.4.7). Bylaw 1.2.1 (q), states "Property of the Synod" includes all assets, real or personal, tangible or intangible, whether situated in the United States or elsewhere, titled or held in the name of the Synod, its nominee, or an agency of the Synod. Provided, however, "property of the Synod" does not include any assets held by an agency of the Synod in a fiduciary capacity (including, for purposes of example, the funds

administered by Concordia Plan Services, the Lutheran Church Extension Fund—Missouri Synod and certain funds held by The Lutheran Church—Missouri Synod Foundation). Bylaw 3.3.4.7, provides that the Board:

- Shall “delegate to District boards of directors the authority to buy, sell, and encumber real and personal property in the ordinary course of performing the functions which the District carries on for the Synod in accord with general policies (which shall be applicable to all Districts) established from time to time by itself or the Synod in convention”; and
- “May...delegate to any agency of the Synod powers and duties with respect to property of the Synod for which such agency of the Synod has direct supervisory responsibility”; and
- “Such delegation shall be in writing and shall be subject to change at any time by the Synod's Board of Directors provided that reasonable deliberations, as determined by the Board of Directors, take place with such agency prior to the change.”

5.4.1.1 Property of Synod Held by Its Districts

5.4.1.1.1 Each District, being incorporated, shall hold title to property in its corporate name, except that securities may be registered in the name of a nominee.

5.4.1.1.2 The Board of Directors of each District shall be responsible for the supervision, management and protection of District properties including insuring them in accordance with Board Policy 5.5.1.

5.4.1.1.3 A District may hold title to properties used by congregations or other entities. The District board of directors shall authorize any conveyance of such properties to the entities.

5.4.1.2 Property of Synod² Held by Colleges, Universities and Seminaries

The Synod has delegated certain responsibilities, powers, and duties with respect to college and university properties to the Concordia University System (CUS) (Bylaw 3.6.6.5). Additionally, the Synod in Bylaws 3.10.5.5 (i) and 3.10.6.4 (i) has delegated other responsibilities for property to the respective boards of regents of the colleges, universities, and seminaries.

5.4.1.2.1 Property of the Synod held by its colleges, universities or seminaries shall be titled in the name of the respective institution, except that securities may be registered in the name of a nominee

5.4.1.2.2 Each institution of higher education of the Synod shall hold title to properties presently owned or at any time hereafter acquired by it subject to a reversionary interest or possibility of a reverter in favor of the Synod in such form and stating such conditions as shall be established by the Board of Directors of the Synod except as provided by such Board (Resolution 4-04, 2004). The Board of Regents and officers of each institution of higher education of the Synod shall, and are hereby directed to, take all actions and execute all deeds, resolutions, statements, and legal documents necessary to carry out the terms of this resolution where permitted by law. The Board of Regents of each college, university and seminary shall be responsible for the supervision, management and protection of the institution's properties including insuring them under the Synod's insurance program.

5.4.1.2.3 The Board under formal agreement with the CUS and through the approval of the bylaws of CUS has delegated other property responsibilities to the Concordia University System.

²“Property of the Synod” is a defined term in this manual and in the LCMS Handbook. See page iii for definition.

5.4.1.2.3.1 The Board has retained certain oversight responsibilities of college and university properties as detailed in the formal agreement. The Board in the formal agreement has reserved for itself the following:

- Approval, upon recommendation of the CUS, of changes to the master plan and facilities plan of the institution and the sale or disposal of any campus or part thereof beyond that specified in the Board's Policy Manual. After approval by the Board, the CUS is authorized to give final approval to the purchase, sale or demolition of land or facilities and shall report the same to the Board of Directors.
- Annual summary capital budgets of the institutions, including the method of funding, prior to final action by the CUS. After such approval by the Board, the CUS is authorized to give final approval for the construction and remodeling of facilities.
- Approval of the lines of credit to CUS.
- Approval of operational borrowing needs of the institutions if the amount exceeds 10 percent of the aggregate revenues or 15 percent of the revenues of any one institution.

5.4.1.2.4 Regarding the Seminaries, the Synod Board of Directors reserves for itself the following:

5.4.1.2.4.1 Approval, upon recommendation of the seminary board of regents, of changes to the master plan and facilities plan of the institution and the sale or disposal of any campus or part thereof beyond that specified in the Board's Policy Manual.

5.4.1.2.4.2 Approval of annual summary capital budgets of the institutions, including the method of funding, prior to final action by the seminary's board of regents. After such approval by the Synod Board of Directors, the seminary is authorized to begin construction and remodeling of facilities.

5.4.1.2.4.3 Approval of the lines of credit to the Seminaries.

5.4.1.2.4.4 Approval of operational borrowing needs of the seminary, if the amount exceeds 15 percent of the revenues of the seminary

5.4.1.3 Property of Synod Held by synodwide Corporate Entities

5.4.1.3.1 Property of the Synod held by synodwide corporate entities shall be titled in the name of the respective entity.

5.4.1.3.2 The governing board of each entity shall be responsible for the supervision, management and protection of the entity's properties including insuring them under the Synod's insurance program.

5.4.1.3.3 The Board under formal agreement with each entity has delegated other property responsibilities to the board of that entity while retaining certain oversight responsibilities.

The Board in the formal agreement has reserved for itself the final approval of the purchase, sale or financing of real property. (NOTE: formal agreements need to be developed with CPH, CHI and the Foundation.)

5.4.1.4 Property Transactions by Corporate Synod

5.4.1.4.1 Property transactions of agencies within corporate Synod shall be approved by the Synod's Board of Directors in the budgeting process or in accordance with Policy 4.6.

5.4.1.4.2 Loans from the Lutheran Church Extension Fund to corporate Synod for use by the agencies of corporate Synod shall be approved in accordance with Policy 4.6.

5.4.1.4.3 The agency of corporate Synod requesting the loan shall be ultimately responsible for its repayment through its annual budgets.

5.4.1.4.4 Loans to partner churches shall be made by corporate Synod with repayments to be made or guaranteed by funds made available for the Board for Office of International Missions.

5.4.2 Titles and Deeds

5.4.2.1 Contracts for the purchase of property shall be conditioned upon the agency being able to obtain a title insurance policy from a satisfactory title insurance company. If the agency is a component of corporate Synod, then corporate Synod must be able to obtain a title insurance policy from a satisfactory title insurance company

5.4.2.2 Before closing the purchase, a title report or binder for title insurance shall have been obtained.

5.4.2.3 The title report shall show that fee simple title to the property will be vested in the agency or, in the case of a corporate Synod agency, with corporate Synod upon delivery and recording of the deed and that such title will be free and clear of liens, encumbrances and restrictions except for taxes, easements and other restrictions acceptable to the officers of the agency or the Synod Chief Financial Officer, as appropriate.

5.4.2.4 Property shall be conveyed to the agency or, in the case of a corporate Synod agency, to corporate Synod by warranty deed if possible. Otherwise, deeds appropriate to the circumstance may be used.

5.4.3 Appraisals

5.4.3.1 Agencies shall obtain appraisals from recognized appraisers, MAI or equivalent, on the purchase and sale of all real estate.

5.4.3.2 A copy of the appraisal shall be provided the LCMS Chief Financial Officer on all transactions requiring Synod Board of Directors' approval.

5.4.4 Non-Synod Tenants

5.4.4.1 Agencies of the Synod may lease, rent or otherwise grant a right of use of real property to non-synod tenants as long as the activities of such tenants can be clearly distinguished from those of the agency.

5.4.4.2 The use of property by a non-Synod tenant shall be evidenced by a written agreement which shall include the intended use, evidence of liability insurance and provision to indemnify and hold harmless the agency from any damages, actions, claims or proceedings resulting from the permitted use.

5.4.5 Guarantees of Indebtedness

5.4.5.1 Agencies of the Synod shall not guarantee the indebtedness of others without prior approval of the Synod's Board of Directors.

5.4.5.2 Contingent liabilities resulting from delinquencies in the repayment of guaranteed indebtedness shall be reported on a timely basis to the agency's governing board and the Synod's Chief Financial Officer.

5.4.5.3 Guarantee of debt: Corporate Synod shall not guarantee any debt other than debt for corporate Synod. Agencies that get into financial hardship due to excessive debt shall first be directed to LCEF for debt and business plan restructuring. If LCEF determines that a restructuring plan is not feasible, the LCMS Board of Directors will ordinarily require the agency to liquidate the assets used to secure the debt.

5.4.5.4 This policy shall not apply to guarantees of the indebtedness of others made by The Lutheran Church Extension Fund (LCEF) in the normal course of LCEF business.

5.4.6 Use of LCEF Assets

5.4.6.1 Pursuant to Bylaw 3.6.4.4.1 and Article IV of the Lutheran Church Extension Fund Articles of Incorporation, the Lutheran Church Extension Fund may use Lutheran Church Extension Fund assets for purposes in addition to those specifically listed in the LCMS Bylaws and the Lutheran Church Extension Fund Articles provided that such use is consistent with the ministry and mission of the Synod and the Board of Directors of Lutheran Church Extension Fund and The Lutheran Church–Missouri Synod Board of Directors have approved such use.

5.5 Insurance

5.5.1 Insurance Coverage

5.5.1.1 Except for agencies noted in 5.4.1.2.2 and 5.4.1.3, each corporate agency of the Synod shall maintain property and liability insurance coverage under the Synod's insurance program or if through other carriers in coverages which are consistent with those in the Synod's program.

- Note: Since separate insurance programs are primarily maintained by the LCMS district offices, their programs are on a smaller scale and the districts are not able to sustain (or afford) deductible/retention amounts consistent with the Synod's.

5.5.1.2 Insurance coverage shall be in the following areas:

5.5.1.2.1 Mandatory lines of coverage to be procured outside the Synod's master insurance program:

- General Liability
- Workers Compensation
- Automobile Liability (owned and/or hired, non-owned)
- Umbrella
- Sexual Misconduct
- Pastoral Counseling
- Property, includes
- Boiler and Machinery
- Inland Marine
- Fine Arts
- Electronic Data Processing
- Stained glass coverage
- Primary Flood and Earthquake
- Business Interruption/Extra Expense

5.5.1.2.2 Mandatory lines of coverage but may be separately procured by the entity or through the Synod's master insurance program:

- Directors and Officers Liability
- Employment Practices Liability
- Crime
- Special Crime
- Fiduciary Liability

5.5.1.2.3 Optional lines of coverage that require a formal coverage and exposure analysis to determine if coverage is mandatory:

- Educators Legal Liability (mandatory for school exposures)
- Bankers Professional Liability (mandatory for CEF and Foundation exposures)
- Foreign (property and liability) package
- Non-owned Aircraft Liability
- Difference in Conditions (a.k.a. excess flood & earthquake)
- Environmental Storage Tank Liability
- Special Crime (a.k.a. kidnap and ransom)
- Fidelity Blanket Bond – for CEF exposures
- Mortgagee and Foreclosure Liability – for CEF exposures
- Fiduciary Liability – if agency does not participate in LCMS Concordia Plan Services
- Limited Professional Liability
- Other areas as determined by Chief Financial Officer of the Synod
- (Cyber space Insurance – check w/Denise)

5.5.1.3 Minimum policy limits and maximum deductibles in all lines of insurance coverage purchased by the Synod for its insurance program shall be approved by the Synod's Board of Directors upon recommendation of the Chief Financial Officer of the Synod.

5.5.1.4 The Chief Financial Officer of the Synod shall maintain an insurance reserve to cover the differences between the claims of agencies in the Synod insurance program and the deductibles in the respective policies.

5.5.1.5 Due to the need for appropriate coverages and the economies of scale that result from combined purchases of insurance coverage, all agencies of the Synod should participate in the Synod's insurance program. If, however, an agency's governing board, after consultation with the office of the Chief Financial Officer of the Synod, elects to purchase separate insurance, it shall provide copies of its policies and endorsements of the Synod to the Chief Financial Officer of the Synod.

5.5.2 Administration of the Synod's Insurance Program

5.5.2.1 The Synod's insurance program shall be administered by the Chief Financial Officer of the Synod, utilizing the Executive Director of Risk Management and Insurance and insurance brokers as appropriate.

5.5.2.2 Agencies of the Synod covered under the Synod's insurance policies will be billed by the office of the Chief Financial Officer of the Synod for their proportional and allocated premium amounts based upon their individual exposures.

5.5.2.3 The Chief Financial Officer of the Synod shall provide each agency with annual copies of the Final and Bound Insurance Summary containing a Risk Management Procedures Manual for administering the Synod's insurance program, including the reporting of claims, ordering certificates of insurance and reporting changes to property and automobile exposures.

5.5.2.4 The Chief Financial Officer shall provide to each agency various financial reports such as the Insurance Deductible Pool Status Report and the Loss/Claim Summary on a periodic

basis throughout the policy year in order for each agency to monitor and/or prepare for budget effects.

5.6 Human Resource Policies

5.6.1 Compliance with Human Resources Requirements

5.6.1.1 Agencies of the Synod shall maintain a human resources policy manual including at least:

- Statements of compliance with all applicable local, state, and federal requirements
- Policies and procedures regarding employment, transfer and termination, rights and responsibilities of employees, consideration of grievances, disclosure of conflicts of interest (Bylaw 1.5.2), working conditions, salary administration, and benefits provided, to be summarized as appropriate in an employee handbook.
- Provisions for current position descriptions for each employee.

5.6.1.2 Agencies' human resources manuals shall not violate federal or state laws, policies of the Handbook of the Synod, policies of the LCMS Board of Directors, or policies of the Committee for Human Resources applicable to other agencies of the Synod.

5.6.2 Salary Administration

5.6.2.1 Each incorporated agency of the Synod shall maintain salary administration policies which attract competent employees, retain qualified and seasoned employees, assure equitable and uniform treatment of all comparable positions, provide suitable incentive for performance and personal development and at the same time practice the highest degree of stewardship with the financial and the human resources available for the work.

5.6.2.2 Salary categories shall be established which reflect levels of experience, education, responsibilities, and complexity.

5.6.2.3 Salary ranges shall be established which shall afford opportunity for the recognition of the quality of work and level of performance and which take into account the wage and salary practices in local public and private employment, the congregations and related agencies of the Synod, and similar operations of other church bodies.

5.6.3 Hiring Authority for Corporate Synod

5.6.3.1 The LCMS Department of Human Resources is responsible for the hiring and termination of all employees of corporate Synod in compliance with applicable Bylaws and board of directors' policy. All oral or written offers of employment, including called positions, shall be approved and normally conveyed by the LCMS Department of Human Resources.

5.6.4 Board and Executive Officer Relationship

5.6.4.1 The board or commission of each agency of the Synod retains all its authority under the Synod's Constitution and Bylaws, but for those agencies which have an executive director or executive officer, delegates to its executive officer the exercise of its authority within limitations defined in its policies.

5.6.4.2 For those agencies which have an executive director or executive officer

5.6.4.2.1 Each agency shall maintain a policy manual.

5.6.4.2.2 A position description and policies defining the responsibilities of its executive officer and the relationship of the executive officer to the board or commission of the agency must be contained in the policy manual. Such policies shall also provide for the monitoring of management.

- 5.6.4.2.3 The board or commission shall not assign or delegate to its executive officer responsibilities reserved in the Synod's Handbook to the board or assigned to committees, other Synod agencies or officers.
- 5.6.4.3 The board or commission shall exercise its governing authority as a whole. No individual member may exercise such authority except as instructed by the board or commission.
- 5.6.4.4 The board or commission shall normally access employees of the agency only through its chief executive or executive director.
- 5.6.4.5 While the chief executive (as defined in Bylaw 1.2.1(b) or executive director (as defined in Bylaw 1.2.1 (h) is primarily accountable to the agency by virtue of the position, the chief executive or executive director makes regular reports to the President of the Synod who under Constitution Article XI, B has supervision regarding the doctrine and the administration of "all such as are employed by the Synod" and under Bylaw 3.3.1.1 shall "oversee the activities of all officers, executives, and agencies of the Synod to see to it that they are in accordance with the Constitution, Bylaws, and resolutions of the Synod."
- 5.6.4.6 The Synod's Board of Directors, in fulfilling its oversight responsibilities, may request reports from and/or appearances before the board of any agency through the chairman and/or the chief executive of the agency of the Synod.
- 5.6.4.7 The Synod's Board of Directors' policies regarding its responsibilities, relationships with its executive officer (Chief Administrative Officer) and executive limitations appearing in Sections 2, 3 and 4 of this Policy Manual may be used as a guide by the boards and commissions of other agencies in setting their policies.
- 5.6.5 Accommodation Employment
- 5.6.5.1 An agency of the Synod shall not extend or maintain "status calls" or otherwise engage in arrangements of "accommodation employment."
- A "status call" or "accommodation employment" is defined as a call and/or arrangement by which an individual is engaged (other than through written arrangements declaring the person to be an independent contractor) under conditions by which the individual is not directly or regularly accountable to the governing board or commission or executive officer of the agency or a full-time person who is so directly responsible. Such calls are sometimes requested for tax purposes, maintenance on the roster or participation in the Concordia Plans.
- 5.6.5.2 This policy shall not include those who are directly accountable to the federal, state or local municipal government to the extent that ecclesiastical endorsement is necessary as to a person holding such position with government.
- 5.6.6 Committee for Human Resources
- 5.6.6.1 The Committee for Human Resources has been established as an ad hoc committee of the LCMS Board of Directors to adopt on behalf of the governing boards of corporate Synod, LCEF, Concordia Plan Services and The Lutheran Church–Missouri Synod Foundation common Human Resource policies and procedures for these agencies that are not reserved by the LCMS Board of Directors for their approval, as stated elsewhere in this LCMS Board of Directors Policy Manual.
- 5.6.6.2 The Committee for Human Resources shall meet quarterly and shall meet at least annually with an expanded membership, which shall include senior representation from at least two districts, Concordia Publishing House, Concordia University System, and others, as determined appropriate, to discuss and recommend "general human resource policies of the Synod" to the LCMS Board of Directors to approve as required in Bylaw 1.5.5 which states:
- "Every agency of corporate Synod and every synodwide corporate entity shall operate under the general human resources policies of the Synod as provided by

the Board of Directors of the Synod, in accordance with Bylaw 3.3.4.3. Specific policies under these general policies may be adopted by each synodwide corporate entity in order to accommodate the unique character of its operations.”

- 5.6.6.3 The Committee for Human Resources, under the chairmanship of the LCMS Chief Administrative Officer, shall consist of the Chief Executives of the Concordia Plan Services, Lutheran Church Extension Fund, The Lutheran Church—Missouri Synod Foundation, the Synod’s Chief Mission Officer, the Chief Financial Officer, and the Chief Administrative Officer as voting members. Staff services shall be provided by the Executive Director of Human Resources.
- 5.6.6.4 All policies adopted by the Committee for Human Resources shall be shared with the respective governing boards.
- 5.6.6.5 To fulfill the legal responsibilities of the respective governing board, its executive/chief administrative officer provides two-way communication between that board and the Committee for Human Resources.
- 5.6.6.6 The respective governing boards shall be responsible for approving changes in the salary classifications of their employees and for changes in the salaries of their respective officers. Each governing board reserves for itself, after consultation with the other governing boards, the responsibility for approving the salary ranges and changes in employee benefits. The Synod’s Board of Directors approves the salaries of the Synod officers.
- 5.6.6.7 The Committee for Human Resources shall be responsible for the Synod’s Human Resources Department. The Executive Director of Human Resources shall be appointed by and be directly responsible to the Committee for Human Resources. The Executive Director, on behalf of the Committee, shall provide quarterly activity reports to the respective governing boards.

5.6.7 Calling, Appointing and Employing Staff

Calling and Appointing the Chief Executive of a Synodwide Corporate Entity or an Executive Director of a Corporate Synod Agency

- 5.6.7.1 The chief executive or unit executive for each board, commission, or synodwide corporate entity shall be a member of a congregation of the Synod and shall be appointed in accordance with Bylaw 1.5.5.1. In meeting the bylaw requirements, the procedure below shall be followed:
 - 5.6.7.1.1 The board, commission, or entity shall review and, if necessary, update the position description for the chief executive or unit executive; it shall then be forwarded to the President for his review and input prior to being sent to the Executive Director of Human Resources for legal review and salary administration.
 - 5.6.7.1.2 A list of candidates for the position shall be gathered by the Department of Human Resources as determined by the board, commission, or synodwide corporate entity.
 - 5.6.7.1.3 The board, commission, or synodwide corporate entity shall review the complete list and notify the executive director of human resources of the candidates it intends to interview.
 - 5.6.7.1.4 The list of candidates shall then be forwarded to the President of the Synod for his concurrence. The President may strike from the list any candidate that in his judgment should not be considered for the position for reasons which fall within the President’s duties to supervise the doctrine and administration of officers and other personnel of the Synod under Article XI B of the Constitution and Bylaws 3.3.1.1, 3.3.1.2 and 1.5.5 (a)(1).

- 5.6.7.1.5 The President shall notify the Department of Human Resources and advise the board, commission, or synodwide corporate entity that it may (1) proceed with interviews and extend a call; or (2) that consultation with the President is required to determine the President's concurrence prior to proceeding with the interview process.
- 5.6.7.1.6 The President or the President's designated representative, normally a full-time elected officer, may participate in the interview, which shall include at least two designated members of the calling board, and make appropriate recommendations to the calling body.
- 5.6.7.1.7 If the board or commission is led to extend a call, it shall make its selection from the candidates interviewed and extend the call. The details of the call, including salary, benefits, and all other employment details must be reviewed and approved by the executive director for human resources for compliance with IC personnel policies and practices prior to the extension of the call.
- 5.6.7.1.8 If the board or commission is not led to extend a call, it may ask the screening committee to review the original slate of candidates to identify additional candidates for interviews or request that additional candidates be gathered from the field through the Department of Human Resources. In either case, the appropriate provisions of this policy must be applied.
- 5.6.7.1.9 Members of the Synod appointed to a position requiring an ordained minister or a commissioned minister shall receive a solemn call. Other ordained or commissioned ministers appointed to positions in the Synod shall be affirmed by the respective board or commission through a solemn call.
- 5.6.7.1.10 The chairman of the board or commission shall sign call and appointment documents on behalf of that board, commission, or synodwide corporate entity after following established Synod and corporate policies in the selection of the person to be called or appointed. All such documents, including attachments and salary, shall be approved by the Executive Director of Human Resources prior to being sent.
- 5.6.7.1.11 Confidential information provided about nominees shall not be made available to the nominees.
- 5.6.7.2 Synodwide Corporate Entities Calling and Appointing Staff to Positions Requiring an Ordained or Commissioned Minister of Religion.
- In accordance with Bylaw 3.11.1, all positions requiring called ministers shall be filled in consultation with the President of the Synod subject to all appropriate provisions of the Constitution and Bylaws and other policies that apply. Unless otherwise specified by the board of the respective corporate entity, all employees serve at the pleasure of the appointing authorities.
- 5.6.7.3 Calling and Appointing Senior Staff of Mission Offices and Commissions
- 5.6.7.4 Each person in senior staff positions, Classes 5 through 8 of mission offices or commission, shall be a member of a congregation of the Synod and shall be appointed in consultation with the President of the Synod according to corporate synod human resources policy. (See Bylaw section 3.11)
- The following procedures shall be followed:
- 5.6.7.4.1 A position description shall be forwarded to the President for his consultation prior to being sent to the Executive Director of Human Resources for legal review and salary administration.

- 5.6.7.4.2 At a time determined by the leadership of the office or commission, a list of candidates for the position shall be gathered by the Department of Human Resources according standard HR procedures.
- 5.6.7.4.3 The leadership of the office or commission shall review the complete list and notify the executive director of human resources of the candidates to be interviewed.
- 5.6.7.4.4 The list of candidates shall then be forwarded by human resources to the President of the Synod for consultation.
- 5.6.7.4.5 The President or the President's designated representative, normally a full-time elected officer, may participate in the interview.
- 5.6.7.4.6 If the office or commission is led to extend an appointment or a call, it shall make its selection from the candidates interviewed and extend the appointment or call. The details of the appointment or call, including salary, benefits, and all other employment details must be reviewed and approved by the executive director of human resources for compliance with IC personnel policies and practices prior to the extension of the appointment or call.
- 5.6.7.4.7 If the office or commission is not led to extend an appointment or call, it may ask the screening committee to review the original slate of candidates to identify additional candidates for interviews or request additional candidates be gathered from the field through the Department of Human Resources. In either case, the appropriate provisions of this policy shall be applied.
- 5.6.7.4.8 Members of the Synod appointed to a position requiring an ordained minister or a commissioned minister shall receive a solemn call. Other ordained or commissioned ministers appointed to positions in the Synod shall be affirmed by the respective board or commission through a solemn call.
- 5.6.7.4.9 The principal staff person of a commission shall sign call and appointment documents on behalf of that commission after following established Synod policies in the selection of the person to be called or appointed. All such documents, including attachments and salary, shall be approved by the Executive Director of Human Resources prior to being sent.
- 5.6.7.4.10 Confidential information provided about nominees shall not be made available to the nominees.

5.6.8 Housing and Moving Assistance by Synodwide Agencies

- 5.6.8.1 Each synodwide board or commission may provide new employees or transferred employees in the exempt classifications relocation assistance under the policies of the Human Resources Committee.

5.6.9 The Acceptance of Gifts, Entertainment, or Favors

The acceptance of gifts, entertainment, or favors from any individual or outside concern which does or is seeking to do business with the Synod or the agencies of the Synod.

5.6.9.1 Acceptance of gifts

Each agency of the Synod and Corporate Synod shall maintain a policy regarding the acceptance of gifts, entertainment, or favors from any individual or outside concern which does or is seeking to do business with the Synod or the agency which at a minimum complies with the following:

- 5.6.9.1.1 Employees who are offered gifts, entertainment or favors because of their positions should not feel any entitlement to accept and keep such business courtesies. Although the individual may not use his/her position to obtain business courtesies, and must never ask for them, he/she may accept

unsolicited business courtesies that promote successful working relationships and good will with the firms that Synod or the Synod agency maintain or may establish a business relationship with.

- 5.6.9.1.2 Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the Synod's and/or the Synod agency's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain the business.

5.6.9.2 Meals, Refreshments and Entertainment

Employees may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

- They are not inappropriately lavish, unethical, or excessive unless approval is obtained from an officer of the agency or entity.
- The courtesies are not frequent (more than three per year) and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

5.7 Miscellaneous Administrative Policies

5.7.1 Working Together

5.7.1.1 The agencies of Synod are most effective as their board members, officers and staffs work together as prescribed in Col. 3:12—14 (NIV) which reads as follows: "as God's chosen people, holy and dearly loved, clothe yourselves with compassion, kindness, humility, gentleness and patience. Bear with each other and forgive whatever grievances you may have with one another. Forgive as the Lord forgave you. And over all these virtues put on love, which binds them all together in perfect unity."

5.7.1.2 The Board encourages Christ's people serving as board members, officers and staffs who differ with their brothers and sisters to pursue the course of harmony, peace and unity in keeping with the mind of Christ, not publicizing these differences, but using the scriptural and fraternal principles of loving Christian counsel or admonition.

5.7.2 Making Appointments and Filling Mid-term Vacancies

5.7.2.1 Making Regular Appointments to Boards, Commissions and Standing Committees

5.7.2.1.1 The Bylaws of the Synod and the governing documents of certain LCMS Agencies designate the Board of Directors of the Synod as the entity responsible for making certain appointments. The Board of Directors is responsible to make appointments as shown below:

**Board of Directors
Policy Manual**

Section 5: BOD Policies for Agencies of the Synod

<u>Appointment</u>	<u>How Many/Type</u>	<u>Authorization</u>	<u>Notes</u>
First Meeting Following National Conventions (September)			
The Lutheran Church— Missouri Synod Foundation	5 at-large members 1 Alternate	Bylaw 3.6.5.2.1	
Concordia University System – Council of Members	3 Lay members	Bylaw 3.6.6.2	
Annually at the May Meeting of the Board			
Lutheran Church Extension Fund—Missouri Synod	Members-at-large	Bylaw 3.6.4.2.1	Number to be elected based on formula identified in Bylaw
Concordia Plan Services	For the first year of triennium 1 ordained 4 laypersons* For the second year 1 commissioned 4 laypersons* For the third year 1 ordained 4 laypersons*	Bylaw 3.7.1.3	* Of the laypersons, at least five shall be experienced in the design of employee benefit plans, at least five of whom shall be experienced in the management of benefit plan investments, and at least one of whom shall have significant financial/audit experience.
Annually, at the first meeting of the LCMS Board of Directors			
LCMS National Housing Support Corporation	BOD Appoints at least 1/3 of the 7-15 member board. (0 to 2 annually, depending on total number on board)	National Housing Support Corp Bylaw III.B, C, E and F	<ul style="list-style-type: none"> • At least 1/3 of elected Directors elected by LCMS BOD or executive committee • Remainder elected by National Housing BOD • National Housing Nominating Committee (in consultation with LCMS President) to prepare slate for directors elected by National Housing BOD; will also prepare for LCMS BOD upon request • Must be member of LCMS member congregation • National Housing BOD may increase number of voting Directors to maximum of 15
As necessary			
Lutheran Center for Religious Liberty (LCRL)	BOD appoints one or two	LCRL Bylaw: Section 3	<ul style="list-style-type: none"> • If the LCRL BOD consists of three or four directors, one director shall be appointed by the board of directors of LCMS, with the prior concurrence of the LCRL Board of Directors. • If the LCRL BOD consists of five directors, two directors shall be appointed by the board of directors of the LCMS, with the prior concurrence of the LCRL Board of Directors. • Such appointment shall take place in advance of the meeting of the LCRL BOD at which the term of the director(s) so appointed shall commence. • Directors selected shall be from a slate of nominees developed by the LCRL BOD or a nominating committee selected by the LCRL BOD • The LCMS BOD, the LCMS President and the LCRL BOD are entitled to submit nominations.

- 5.7.2.1.2 At least three months prior to the LCMS Board of Directors meeting at which appointments are to be made the Synod Secretary shall issue a request for nominations. This request will be forwarded to the following:
- The Board of Directors
 - President of Synod
 - District Presidents
 - The respective board and its executive officer
 - The Executive Director of Human Resources who shall maintain a file on available talent.
- 5.7.2.1.3 include both their willingness to serve and their biographical sketches and evaluations.
- 5.7.2.1.4 Prior to the Board meeting, the Board's Personnel Committee shall review the nominations. The Committee shall submit to the Board a list of at least two candidates, if possible, from the list of nominees (see 5.7.2.1.3, above) for each appointment to be made. All incumbents for re-appointment shall be included in the list of candidates. The Committee shall provide the Board the entire list of nominees along with all background information. Any Board member may add names to the list of candidates from the list of nominees.
- 5.7.2.1.5 Mid-term vacancies in these positions will be filled according to the process outlined in the governing documents of the entity, summarized above. Consult the governing documents for complete information.

5.7.2.2 Mid-term Vacancies in positions elected by the Synod in convention

- 5.7.2.2.1 Midterm vacancies in positions initially filled by election at the synod convention shall follow the process outlined in the LCMS Handbook (Bylaw 3.2.5 and 3.12).
- 5.7.2.2.2 The slate of candidates provided by the Bylaw 3.2.5 Committee shall be provided to the board in its entirety and shall not be modified (floor nominations are not allowed under bylaw 3.2.5 (d)).

5.7.2.3 Former executives of a board or commission shall not be eligible for appointment to that board for a period of six (6) years after termination of employment.

5.7.3 Ownership and Management of Lists

The two-fold goal of keeping lists is to enhance overall Synod communication and meet regulatory requirements, while protecting individual privacy as requested.

5.7.3.1 Gathering of Lists

- 5.7.3.1.1 Lists are the property of the Synod. This includes all lists created by the Synod or any one of its agencies (Constitution Articles IV and XI F). All lists are to be used for the benefit of the Synod and its agencies.
- 5.7.3.1.2 The LCMS Board of Directors is custodian (Bylaw 3.3.4.7) of all lists and delegates the management of lists according to these policies while maintaining ultimate authority over and responsibility for lists.
- 5.7.3.1.3 Lists created independently by synodwide corporate entities, while still the property of the Synod, will be supervised and managed by those entities.

5.7.3.2 Management of Lists

- 5.7.3.2.1 Lists of the membership of the Synod, convention delegates, elected and appointed leaders, and other volunteers of Synod agencies are the responsibility of the Secretary of the Synod.
 - 5.7.3.2.1.1 The Rosters and Statistics Unit of corporate Synod shall gather and maintain the mailing list of all Synod members, both voting and individual, on behalf of the Secretary.
 - 5.7.3.2.1.2 As the list of members of the Synod is public record, the Secretary of the Synod may allow the use of this list for outside entities as long as the Synod is fully reimbursed for its costs and effort and such use is in the Synod's interest.
- 5.7.3.2.2 Lists of subscribers for periodicals and electronic news networks are the responsibility of the LCMS Communications Department.
 - 5.7.3.2.2.1 The Office of Rosters and Statistics Unit shall also gather a list of other professional workers in the Synod and lay leaders in the congregations including the chairman of the congregation, the chairman of the Elders and the chairpersons of the ministry areas. This list shall be gathered with the understanding that it is for the use of the Synod and will not be limited to the mailing of Reporter.
 - 5.7.3.2.2.2 The Lutheran Witness list may require additional privacy considerations and will be governed by the LCMS Communications Department policies regarding The Lutheran Witness list management.
- 5.7.3.2.3 Lists of donors are delegated to the LCMS Foundation on behalf of the Board of Directors and the agencies of the Synod (Policy 5.2.6).
 - 5.7.3.2.3.1 Recognized Service Organizations or other non-LCMS organizations with a working relationship with the Synod may be authorized to use donor lists only with the approval of the Chief Administrative Officer and the President of the LCMS Foundation.
 - 5.7.3.2.3.2 Agencies shall not fail to report the use of LCMS donor lists by non-Synod entities to the LCMS Board of Directors.
- 5.7.3.2.4 Other lists – Synod employees, vendors, youth, etc., will be governed by the board of the agency maintaining or responsible for the list, with the understanding that lists should be shared whenever possible within the Synod to facilitate communication. As custodian of the lists, the LCMS Board of Directors, through the Chief Administrative Officer, will settle disputes regarding lists between agencies.

5.7.4 Contacts with the News Media

- 5.7.4.1 Bylaw 3.4.3.7 provides for the President through the Chief Mission Officer to “supervise the content of communications, public relations, and news and information provided by the Synod”. Agencies are encouraged to contact the LCMS Communications Department on topics or events where media coverage is desired.
- 5.7.4.2 The Executive Director the LCMS Communications Department, or his designated representative, shall normally be the initial and primary contact with the public news media.
- 5.7.4.3 The executive officer of each agency, or designated representative, shall be the chief spokesperson regarding the work of the agency or one of its departments. In communicating synodwide policies and positions, the Synod President, or his designated

representative, shall be the chief spokesperson. The executive officers and Synod President will normally work with the staff of the LCMS Communications Department when addressing the public news media.

5.7.4.4 Each agency shall advise the LCMS Communications Department staff of situations, both positive and negative, that could bring questions from the media. Communication Services will assist, as requested, in addressing the situation.

5.7.5 Use of Synod Logo

5.7.5.1 The Synod's tri-partite cross logo is a legal, trademarked symbol of The Lutheran Church—Missouri Synod. It may be used only by authorized organizations in a manner consistent with the terms and conditions in the Synod's Graphic Standards Manual published by the LCMS Communications Department and available at <http://www.lcms.org/logos>.

5.7.5.2 Changes to the terms and conditions documents governing the use of the Synod's registered mark(s) shall be approved by the CAO in consultation with legal counsel.

5.7.5.3 All decisions as to other use of the logo and the interpretation of this policy shall be made by the Executive Director of the LCMS Communications Department in consultation with the Chief Administrative Officer and Synod's legal counsel, as necessary.

5.7.5.4 Executive Director of the LCMS Communications Department in consultation with the Chief Administrative Officer and Synod's legal counsel, as necessary, shall actively object to any unauthorized use of the logo and, where appropriate, take action to prevent any continued unauthorized use.

5.7.6 The LCMS Website and Internet Presence

5.7.6.1 The Lutheran Church—Missouri Synod website shall serve as an instrument for carrying out the Synod's objectives as stated in Article III of its Constitution. The following websites may be linked to the LCMS website in accordance with LCMS Internet policies.

5.7.6.1.1 Each mission office and commission shall maintain a web section (sub-domain) that is an integral component of the lcms.org website. The Internet presence of all mission offices and commissions shall be part (sub-domains) of lcms.org. (In rare instances, specific, unique target audience and business circumstances may require an exception.)

5.7.6.1.2 All other agencies of the Synod shall have a website that shall be linked to the Synod's website.

5.7.6.1.3 Each agency's web page should indicate that the agency is an agency of the Synod, display a copyright symbol and show the date the agency created the current version.

5.7.6.1.4 Each member congregation of the Synod is encouraged to have a home page and link it to the Synod's website.

5.7.6.1.5 Auxiliaries and Recognized Service Organizations of the Synod and other organizations linked to the agencies of the Synod through programs or financial support may, by mutual consent, be linked to the Synod's website.

5.7.6.1.6 Church bodies that are part of the International Lutheran Conference or who are in altar and pulpit fellowship with The Lutheran Church—Missouri Synod may, by mutual consent, be linked to the Synod's website

5.7.6.2 Individuals and non-affiliated commercial organizations shall not be linked to the Synod's website.

5.7.6.3 Synod may remove the links to and from its website for any organization which takes positions contrary to the doctrine and practice of The Lutheran Church—Missouri Synod.

Links to external websites are to be jointly monitored by the LCMS Communications Department and the department, mission office or commission of Synod on which the link appears. Special requests for removal shall come through an officer or district of the Synod and shall be directed to the LCMS Communications Department.

- 5.7.6.4 Each agency of the Synod shall conform to the following requirements regarding the display and dissemination of information it publishes on Internet.
 - 5.7.6.4.1 Each document shall be displayed in its entirety or state which part(s) of the publication is/are being displayed.
 - 5.7.6.4.2 Each display shall include a copyright and/or trademark symbol if applicable and describe any restrictions on the use of the displayed information. Any agency using copyrighted material not created in the agency shall obtain approval for its display in accordance with the Copyright Act of 1976. Questions should be directed to the Executive Director of Communications or to the Synod's Chief Administrative Officer.
 - 5.7.6.4.3 The display of official information published by the Synod shall provide a proper bibliographic citation which includes the issuing agency, the agency's location, the official date of the publication of the document and where authorized paper copies, if they exist, may be obtained.
 - 5.7.6.4.4 Forums, blogs, chat rooms, and other Internet discussions, whether mediated or non-mediated, shall include a disclaimer in the introductory material stating that opinions expressed are personal opinions and do not necessarily represent the official opinion of the Synod.
- 5.7.6.5 The LCMS Communications Department shall be responsible for maintaining the Synod's web presence. The LCMS Information Technology Department shall provide technical services and support to the LCMS Communications Department according to corporate Synod technology policies. The Chief Administrative Officer shall be responsible for interpreting and administering this policy.

5.7.7 Special Emphasis Observances

- 5.7.7.1 Special emphasis days, weeks, months, or Sundays to be observed by more than one district of the Synod shall be authorized by the Administrative Team of the Synod upon recommendation of the interested board, commission, or agency of the Synod. These observance requests include departments within corporate Synod and agencies of the Synod. Recognized Service Organizations and auxiliaries who seek to have their observances recognized by the Synod must notify the LCMS Communications Department according to the dates and process outlined below.
- 5.7.7.2 Requests for special observances shall be submitted to LCMS's executive director of Communications no later than January 15th of each year. Such request should include those observances desired during the upcoming July 1st through June 30th time period. The Communications Department will consolidate the requests into a calendar for recommendation to The Administrative team. Such recommendation shall be directed to the Chief Administrative Officer for presentation to the Administrative team. In accordance with the requests of prior conventions, special emphasis observations should be held to a minimum and, where possible, be in harmony with the liturgical church year. Requests for special observance should include the number of years for which the observance is desired, up to three years. There is no limit to the number of times an observance can be recognized as long as a new request is presented for consideration.
- 5.7.7.3 Worship materials for special observances shall be approved by LCMS Worship Department and the Commission on Doctrinal Review (Bylaw 1.9.1.1) prior to printing.
- 5.7.7.4 A listing of special observances for the year shall be maintained and publicized by the Synod's Communication Department.

5.7.8 Electronic Meetings

- 5.7.8.1 An agency may conduct its board meetings electronically using audio, video, or internet-based conferencing technologies in accordance with applicable state law.
- 5.7.8.2 In such cases, the technology must allow for each board member to fully participate (hear, speak, have or been given access to documents and other materials as appropriate), including the opportunity to vote.
- 5.7.8.3 Members must be given a reasonable opportunity to access the electronic meeting. If a board member does not have access to the technology to be used, arrangements must be made for the member to participate in person by coming to a mutually agreed upon location (prior arrangement may be required).
- 5.7.8.4 Minutes shall be kept in accordance with agency/corporate policy.
- 5.7.8.5 All persons listening or watching shall acknowledge their presence to the meeting and their presence shall be recorded in the minutes of the meeting.

5.7.9 Request for LCMS Board or Commission Minutes

In compliance with Bylaw 1.5.3.5, the Office of the Secretary is responsible for furnishing, upon request, copies of the minutes of boards and commissions according to a policy established by the Board of Directors.

- 5.7.9.1 The secretary of each board or commission of corporate Synod, or other designated person, shall forward to the Secretary of the Synod within four weeks of the meeting an electronic version of the pending minutes of every regular or special meeting of the board or commission. This version should be clearly marked as “pending” or “unapproved.”
- 5.7.9.2 Within one week of approval of the pending minutes at the next meeting of the board or commission, a final approved version is to be submitted electronically to the Office of the Secretary by the designated person.
- 5.7.9.3 Minutes of executive session portions of the board or commission minutes are not required to be forwarded to the Secretary’s office for distribution.
- 5.7.9.4 The Secretary’s office will distribute minutes as requested in the most expedient manner.
- 5.7.9.5 Requests for minutes of meetings prior to July 2007 shall be referred to the individual commission or the Office of the Secretary of the Synod.

5.8 Legal Policies

5.8.1 Participation as Amicus Curiae

Participation by the Synod and/or Its Agencies in Judicial Proceedings as Amicus Curiae or in Support of a Member Congregation.

It is suggested from time to time to the officers and various agencies of the Synod that the Synod, or an agency of the Synod, participate as an amicus curiae (or friend of the court) in judicial proceedings in which legal questions are presented involving issues in which the Synod has an interest. Other situations present the opportunity for the Synod to become involved through or on behalf of a member congregation(s) in addressing such issues before the courts. A position of the Synod should in proper circumstances be developed or made known in judicial proceedings where legal principles are being formulated which will have a bearing upon the position of the Synod and/or its congregations in matters of public interest. The time available for a decision concerning whether or not to participate in judicial proceedings does not ordinarily permit an independent consideration by the entire Board of Directors of each situation. The following policy applies to all agencies of the Synod as defined on the cover page for Section 5 of this Policy Manual.

- 5.8.1.1 Participation in judicial proceedings as amicus curiae or in support of a member congregation shall only be by the Synod, and shall not be by any agency of the Synod.

- a) The President, in consultation with available St. Louis based officers, i.e. First Vice President, Secretary, Chief Financial Officer, and Chief Administrative Officer, is authorized to direct the participation of the Synod as amicus curiae, or in such other capacity as they might determine, in judicial proceedings when, in their judgment, such participation is justified on the basis of the following considerations:
- b) The position of the Synod on the ultimate policy issues involved is sufficiently established to be formally and officially presented;
- c) The legal issues are such as to permit an exposition of the position of the Synod on the ultimate policy issues as well as the legal issues; and
- d) The importance and general applicability of the public issues involved warrant the expenditure of funds for the legal and other costs to be incurred.

5.8.1.2 The Synod shall be represented in such actions by general counsel for the Synod, or by special counsel selected in accordance with Policy.

5.8.1.3 The Chief Administrative Officer shall report to the Board each decision to participate in legal proceedings as amicus curiae, or in support of any member congregation.

5.8.2 Powers of Attorney for the Synod

5.8.2.1 The Synod shall not grant general powers of attorney.

5.8.2.2 Issuance of limited powers of attorney (POA) for the Synod, including its boards and commissions, is the responsibility of the Board of Directors.

5.8.2.3 The Board authorizes the President, First Vice-President, Secretary, Chief Financial Officer, and Chief Administrative Officer by majority vote to grant limited powers of attorney.

5.8.2.4 A limited power of attorney shall be restricted by its terms to the specific task to be accomplished by the specified persons to whom it is granted for the period of time required to accomplish the task, but not to exceed four years.

5.8.2.5 If a limited power of attorney is required for an action in a foreign country, the Chief Administrative Officer in consultation with the Chief Mission Officer shall request its issuance. The Chief Administrative Officer shall notify the Chief Mission Officer when the power of attorney is granted.

5.8.2.6 A limited power of attorney shall be granted to no less than two persons, acting jointly and not separately, unless the Chief Administrative Officer, after consultation with the Synod's legal counsel, authorizes it to be issued to one person due to special circumstances, such as limitations or requirements in the laws of a foreign country in which the power of attorney is to be used.

5.8.2.7 The designated attorneys-in-fact represent The Lutheran Church—Missouri Synod, Inc. and are directly responsible to the Board of Directors in the fulfillment of their responsibilities.

5.8.2.8 The written document evidencing the granting of a power of attorney shall be reviewed and approved by the Synod's general counsel.

5.8.2.9 The Chief Administrative Officer shall report to the Board the granting of any limited power of attorney.

5.8.3 Contacts with Government Offices and Agencies

5.8.3.1 Contacts with Government Units (Other than the Internal Revenue Service) by the Synod and its Agencies.

The Commission on Theology and Church Relations' report on "A Lutheran View of Church and State" provides guidance in relating to the Government. The following policy for contacts with Governmental units applies to all agencies of Synod.

5.8.3.1.1 Officers and agencies of Synod shall not communicate official positions of the Synod to governmental units (except the IRS as outlined in 5.8.3.2) except the President of Synod or his designee.

5.8.3.1.2 All official statements shall be reported to the LCMS Board of Directors.

5.8.3.1.2.1 Individuals, members of Synod, membership organizations that Synod belongs to or supports shall not use or associate, in any way the name of The Lutheran Church—Missouri Synod with any policy statement or position.

5.8.3.1.3 Members of Synod and membership organizations to which the Synod belongs shall not act contrary to the doctrine and position statements of the Synod.

5.8.3.2 **Contacts with the Internal Revenue Service by the Synod and Its Agencies**

The Board believes it is in the best interest of The Lutheran Church—Missouri Synod and all agencies of the Synod that there be uniformity and careful planning in connection with any contact with the Internal Revenue Service, both at the district and national levels of the Internal Revenue Service. The following policy applies to all agencies of the Synod as defined on the cover page of Section 5 of this Policy Manual.

5.8.3.2.1 There shall be no contact with any office of the Internal Revenue Service on behalf of the Synod or any agency of the Synod, on any matter whatsoever, without authorization from Synod's general legal counsel, except for Synod's Accounting Department, which will control contacts with the Internal Revenue Service for tax and other matters as agreed upon with the Synod's general legal counsel.

5.8.3.2.2 Each approval granted by Synod's general counsel and all-important developments shall be reported in general counsel's quarterly report to the Board. The Executive Director of Accounting will report all important contacts and other developments under the supervision of the Accounting Department in the Accounting Department's Quarterly Report to the Board.

5.8.3.2.3 **Congregations and Agencies of the Synod**

Services of the Synod's Executive Director of Accounting and staff of the Accounting Department shall be available to congregations and agencies of the Synod when they are contacting or being contacted by the Internal Revenue Service.

5.8.4 **Approval of New Corporations as Agencies of the Synod**

To provide safeguards for the whole Synod while at the same time considering the rights of the districts, seminaries, colleges, and other corporations constituting a part of the Synod (Agencies of the Synod), the Synod in Convention has adopted resolutions which provide directives regarding the creation of new corporations (primarily 1981 Res. 5-07, 2016 Res. 9-02A)..

5.8.4.1 Districts, seminaries, colleges and universities and all other corporations constituting a part of the Synod and seeking to establish or utilize another or added corporations for the purpose of carrying on their prescribed activities and responsibilities shall first obtain authorization from the Synod in convention or from the Synod's Board of Directors.

5.8.4.2 Requests for authorization, other than an authorization for the incorporation of a church extension fund of a district, shall be considered when the district, seminary, college,

university, or other corporation constituting a part of the Synod follows the procedures outlined, namely:

- a) The petitioning agency shall submit to the Synod's Board of Directors a copy of the proposed Articles of Incorporation and Bylaws of the proposed new corporation together with the date when such new corporation will begin to function. The petitioning agency shall describe the way in which this new corporation will aid in carrying out the petitioning agency's responsibilities. All assumptions pertaining to legal matters shall be accompanied by a legal opinion.
 - b) The district, seminary, college, university, or other corporation of the Synod or the Board of Directors of any such agency shall be the sole member(s) of the new corporation.
 - c) Notwithstanding anything in the Bylaws to the contrary, the Articles of Incorporation or other governing documents of each agency shall provide:
 1. That all provisions of its Articles of Incorporation and Bylaws are subject to the provisions of the Constitution, the Bylaws, and the resolutions of the Synod in convention; and
 2. That in the event of dissolution other than by direction from the Synod in convention, the assets of such agency, subject to its liabilities, shall be transferred, consistent with applicable state and federal laws, as follows:
 - i. In the case of a synodwide corporate entity, district, university, college, or seminary, to The Lutheran Church—Missouri Synod as may be more specifically described elsewhere in these [LCMS] Bylaws;
 - ii. In the case of a corporation formed by an agency (as defined in these [LCMS] Bylaws), to the agency that formed the dissolving corporation, or if such forming agency is not then in existence, to The Lutheran Church—Missouri Synod itself.
- An agency may submit any concerns related to the inclusion of subsections 5.8.4.3(c)1 and/or 5.8.4.3(c)2 in its governing documents to the Board of Directors of the Synod, and the Board of Directors may determine to permit the removal or modification of these provisions for an affected agency.
- d) The Articles of Incorporation and Bylaws of the new corporation shall provide that the Board, officers, and all employees and agents of the corporation as well as the activities of the corporation are subject to the Bylaws and resolutions adopted by the Synod in convention, and that all of their provisions as to supervision or coordination of personnel or activities will be applicable to the new corporation to the same extent as if they were directly those of the new corporation.
 - e) The Bylaws of the new corporation shall provide that its assets are "property of the Synod" as that term is defined in, and to the extent and for the purposes established in, the Bylaws of The Lutheran Church—Missouri Synod, as the same may be changed from time to time.
 - f) The Bylaws of the corporation shall provide that minutes of its Board of Directors or other governing board, and regular independently audited financial statements, shall be promptly furnished to the Board of Directors of the appropriate district, seminary, college, university, or other corporation of the Synod. The Bylaws of the district, seminary, college, university, or other corporation of the Synod shall require its Board of Directors to review and to appropriately respond to the content of those minutes and financial statements.

5.8.4.3 Request for authorization of the incorporation of a church extension fund (CEF) of a district shall be considered when the district complies with the following:

- a) The district shall submit to the Synod's Board of Directors a copy of the proposed Articles of Incorporation and Bylaws of the CEF corporation, together with the date when such new corporation shall begin to function.
- b) The district shall maintain membership control over the proposed CEF corporation by one of the following means:
 - The district shall be named as the sole member of the CEF corporation;
 - The District Board of Directors and/or elected officers of the district shall be the sole members of the CEF corporation; or
 - The member congregations of the district shall be the sole members of the CEF corporation.
- c) Notwithstanding anything in the Bylaws to the contrary, the Articles of Incorporation or other governing documents of each CEF shall provide:
 1. That all provisions of its Articles of Incorporation and Bylaws are subject to the provisions of the Constitution, the Bylaws, and the resolutions of the Synod in convention; and
 2. That in the event of dissolution other than by direction from the Synod in convention, the assets of the CEF, subject to its liabilities, shall be transferred, consistent with applicable state and federal laws, to the district that formed the dissolving CEF, or if such forming district is not

An agency may submit any concerns related to the inclusion of subsections 5.8.4.3(c)1 and/or 5.8.4.3(c)2 in its governing documents to the Board of Directors of the Synod, and the Board of Directors may determine to permit the removal or modification of these provisions for an affected agency. then in existence, to The Lutheran Church—Missouri Synod itself.

- d) The Articles of Incorporation of the proposed CEF corporation shall provide that the corporation shall be operated in accordance with the Constitution and Bylaws of The Lutheran Church—Missouri Synod.
- e) The Bylaws of the proposed CEF corporation shall provide that the corporation is finally accountable to the district, that periodic financial reports, including independently audited financial statements, shall be promptly delivered to the Board of Directors of the district.

5.8.4.4 Failure to comply with the above procedures and to receive permission from the Synod in convention or from the Board of Directors to establish or utilize new corporations will cause such new and unauthorized corporations to be treated as not a part of the Synod for legal and tax purposes.

5.8.5 Approval of Foreign Corporations for Mission Purposes

The Synod has found it necessary, for the purpose of gaining entrance to and operating in certain foreign countries, to establish legal entities, usually corporations, under the laws of the countries in which it seeks to conduct mission activities. The establishment of such corporations is not only necessary, but also often appropriate to the mission operations of the Synod in foreign countries. If the Synod were to operate without the benefit of a corporation in a foreign country, it could be exposed to a legal liability resulting from its activities. In addition, it is often necessary to the ownership of property in a foreign country that a legal entity in that country be established.

5.8.5.1 The Board, on recommendation of the Chief Administrative Officer, in coordination with the Chief Mission Officer shall authorize and approve the creation of legal entities in foreign countries, as it deems necessary or appropriate, for the purpose of establishing, facilitating, and/or operating foreign missions.

- 5.8.5.2 Prior to the establishment of each foreign corporation, the Chief Administrative Officer shall provide the Board with appropriate assurances of the following:
- a) That each such corporation, when established, shall be a properly authorized, valid and operating legal entity within the country in which it is established and that its establishment and operation by the Synod will not violate the laws of that country, as evidenced by an opinion of local or special counsel engaged for the purpose of forming the foreign corporation, such opinion to be in form and content approved by Synod's general counsel.
 - b) That the corporate charter, or other governing instrument, of each legal entity authorized by the Board shall be reviewed and approved by Synod's general counsel, to verify that the Synod retains majority control over the appointment or election of the members and/or directors who are responsible for the management of the corporation and that its stated purposes are in fulfillment of the Synod's foreign mission policies and purposes.
- 5.8.5.3 The budget, financial operations and programs and activities of each such foreign corporation shall be periodically reviewed by LCMS Accounting and Internal Audit, as appropriate, with the assistance of the Office of International Mission.

5.9 Granting of Recognized Service Organization Status by Agencies of the Synod

5.9.1 RSO Status and Limitations

- 5.9.1.1 The Synod mission offices shall assure that the corporate service organizations granted Recognized Service Organization status:

Bylaw 6.2 provides for granting "Recognized Service Organization" (RSO) status to independently incorporated service organizations that are independent of the Synod and whose ministries foster and extend the mission and ministry of the Synod. Application for RSO status is made to the Office of the Secretary of the Synod to which the organization desires to relate (Bylaw 6.2.2 [a]). Through recognition, the Synod affirms that an RSO is compliant with policies adopted by the Board of Directors (Bylaw 6.2.1 [b]) and any policies and criteria established by the granting office or agency of the Synod to which it relates (Bylaw 6.2.1 [c]).

Recognition of a service organization by the Synod commends the RSO as a responsible corporate ministry that is not a part of the constitutional, legal structure of the Synod. However, the granting of RSO status does not imply accreditation or certification of the organization or its programs. The Lutheran Church–Missouri Synod and its agencies disavow any participation in or responsibility for the governance, policies and programs of the organization and make no representations or guarantees regarding the fiscal solvency or financial responsibility of the organization or any services that it expressly or implicitly offers.

RSO status is granted to the organization identified in the RSO agreement executed by the RSO and the Synod office or agency. Subsidiaries and affiliates of the requesting organization are excluded from the agreement and are not entitled RSO status unless specifically identified in the Agreement as being party to the agreement.

In order that Synod's recognition of service organizations will be of maximum benefit to the church, the Board of Directors provides the following common policies:

- 5.9.1.1.1 Identify with the mission and ministry of the Synod but are independent of the Synod's constitutional, legal structure.
- 5.9.1.1.2 Respect and do not act contrary to the doctrine and practice of the Synod as set forth in the Constitution, specifically Article II, and applicable resolutions of the Synod.

- 5.9.1.1.3 Foster the mission and ministry of the Synod and engage in program activity that is in harmony with the programs of the Synod.
- 5.9.1.1.4 Provide for appropriate Synod representation on their governing boards, especially in the case of inter-Lutheran or inter-faith organizations (appropriate levels of representation to be determined by the granting office or agency of the Synod to which the organization relates).
- 5.9.1.2 The Synod shall be assured that corporate service organizations that are granted Recognized Service Organization status:
 - 5.9.1.2.1 Have provided assurance of Internal Revenue Code Section 501 (c) (3) tax exemption.
 - 5.9.1.2.2 Operate with freedom and self-determination under the governance and policies of their own boards in establishing and evaluating their organizational, financial and administrative objectives, activities and programs.
 - 5.9.1.2.3 Have or will establish fundraising policies that reflect ethical and responsible fundraising practices.
 - 5.9.1.2.4 Are able to demonstrate that, in the event of dissolution of the corporation, the residual assets shall be distributed to another 501 (c) (3) organization.
 - 5.9.1.2.5 Have included provisions in their governing documents to clarify that recognition by the Synod (i) is not an endorsement of the fiscal solvency of the organization and (ii) does not express or imply endorsement of the fiscal solvency of the organization or any responsibility on the part of the Synod for the debts or other financial obligations of the organization. Such provisions are subject to approval by Synod's legal counsel.
 - 5.9.1.2.6 Sign an Agreement by which the organization agrees to comply with all applicable Bylaws and policies of the Synod.
 - 5.9.1.2.7 Include in all agreements or other documents creating secured indebtedness of the organization or financing obligations (such as promissory notes, bond issues, or other financing agreements) in a principal amount excess of ten percent of the assets of the corporation (as evidenced by its most recent audited financial statement) the following disclaimer of financial responsibility of the Synod for the obligations of the organization:

It is agreed and acknowledged that the recognized service organization status conferred upon [RSO] by The Lutheran Church—Missouri Synod is not an endorsement by the Synod of the fiscal solvency of [RSO] or of the services or programs offered by [RSO]. By recognizing [RSO] as a recognized service organization, the Synod does not undertake any obligation to repay or guarantee [RSO]'s debts or other financial obligations.
 - 5.9.1.2.8 Include in the Agreement a provision by which the organization agrees to indemnify and defend corporate Synod and all agencies of Synod against lawsuits and claims against them resulting from or arising out of the Synod's recognition of the organization, such provision to read as follows:

[RSO] agrees to defend, indemnify and hold harmless corporate Synod and all Synod agencies together with the officers, directors and employees of each such organization from any and all liability, loss, damage or costs, including attorneys' fees, they, or any of them, may suffer as a result of claims, demands, actions, costs or judgments arising against any of them in any way relating to [RSO] or arising by reason of the Synod's recognition of [RSO] as a recognized service organization of the Synod, including, without limitation,

claims asserting that (RSO) is controlled or endorsed by the Synod or that the Synod negligently granted or maintained the recognized service organization status of [RSO] or failed to properly monitor the actions and undertakings of [RSO].

5.9.2 RSO Standing Committee

- 5.9.2.1 The RSO Standing Committee is a standing committee of the Board of Directors constituted to supervise and facilitate the RSO-granting process of the Synod, with the Board of Directors retaining general interest and supervisory responsibilities on behalf of the Synod.
- 5.9.2.2 The membership of the RSO Standing Committee will be composed of
- 5.9.2.2.1 The Secretary, the Chief Administrative Officer, and the Director of Business Services of the Synod as ex officio members, and
- 5.9.2.2.2 Three additional members appointed annually—one by each of the three offices or agencies granting the greatest number of service organization recognitions.
- 5.9.2.3 The RSO Standing Committee will meet at least four times annually to conduct its business, with the Secretary serving as Chairman and two appointed members serving as the Vice-Chair and Secretary of the committee. The committee's business shall include:
- 5.9.2.3.1 Maintaining a uniform process for the application, granting, monitoring, and reapplication (every five years) of recognized service organization status
- 5.9.2.3.2 Informing service organizations of the requirements of recognized status upon their application for such status through a board of the Synod
- 5.9.2.3.3 Informing service organizations of the benefits and privileges that accompany the granting of recognition by the Synod, including:
- Eligibility of ordained and commissioned ministers of the Synod called by recognized service organizations to remain on the active membership roster of the Synod;
 - Eligibility to apply for loans from the Lutheran Church Extension Fund—Missouri Synod, subject to LCEF policies;
 - Eligibility for “employer” status under the various Concordia Plans of the Synod, subject to Concordia Plans policies;
 - Eligibility for gift planning and trust services of The Lutheran Church—Missouri Synod Foundation, subject to Foundation policies;
 - Eligibility to receive restricted funds raised by the Synod subject to approval by the Synod board to which the organizations relates and by the Synod's Chief Financial Officer, such approval taking into consideration demonstrated need and specific purpose for which the funds are to be used;
 - Public identification with the Synod and its agencies, including the use of the corporate Synod's logo, subject to Board for Communication Services' policies; and
 - Eligibility to participate in the LCMS Group Purchasing Agreement program, subject to certain restrictions
 - Eligibility to apply for grants from the LWML, subject to LWML policies.

- 5.9.2.3.4 Review the additional policies and criteria provided by the Corporate Synod agencies and offices that grant recognition to service organizations (Bylaw 6.2.1 [c]) to assure that the unique needs of those agencies, offices, and the expectations of the Synod are met.
- 5.9.2.3.5 Providing regular status and activity reports to the Board of Directors and Conventions of the Synod, including reports of policies and criteria adopted by the agencies and offices of the Synod.
- 5.9.2.3.6 Listing all Recognized Service Organizations in The Lutheran Annual. The listing shall be prefaced by a statement that recognition is not a guarantee on the part of the Synod on the fiscal solvency of the Recognized Service Organization and that the Synod has no financial responsibility for a recognized organization or services expressed or implied.

6 Appendix A: Administrative Policies for Agencies of the Synod

6 Appendix A: Administrative Policies for Agencies of the Synod..... 6-1

6.1 Legal Policies for Agencies of the Synod 6-2

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6.4 Initiating Litigation by Agencies of the Synod 6-6

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Editors Note:

Traditionally, Section 5 contained policies directed to Agencies of the Synod and others. The LCMS Board of Directors is working to separate the policies contained in this section into a more “user friendly” set of policies that are codified and arranged according to audience. As policies for Agencies are reviewed and approved by the Policy Committee, they will be moved into this Appendix A.

Appendix A – contains Administrative Policies and Procedures for Agencies of the Synod. These Administrative Policies and Procedures are authorized in BOD Policy 4.11.10.

Be sure to consult Section 5 for additional policies for Agencies of the Synod.

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LCMS Board of Directors – Administrative Policies for Agencies³ of the Synod

6.1 Legal Policies for Agencies of the Synod

6.1.1 Engagement of Legal Counsel for Agencies of the Synod

Policy Title: Engagement of Legal Counsel for Agencies of the Synod	
Audience: Agencies of The Lutheran Church–Missouri Synod	Policy Number: (6) 1.1
Responsible for enforcement: LCMS Chief Administrative Officer	Effective Date: Aug 24, 2012
Questions directed to: LCMS Chief Administrative Officer	Original Date:
Exceptions referred to: BOD via LCMS Chief Administrative Officer	Authority: BOD Policy 4.11.10.1
Policy Summary: To clearly identify the parties responsible for appointing legal counsel for The Lutheran Church–Missouri Synod.	

- **Purpose**

1. To clearly identify the parties responsible for appointing legal counsel for agencies of The Lutheran Church–Missouri Synod and subsequent notification to the LCMS Board of Directors
2. To outline the availability and use of LCMS legal counsel to assist agencies of the Synod

- **Scope**

Agencies of the synod, including Synod-wide corporate and trust entities

- **Definitions**

Agency: An instrumentality other than a congregation or corporate Synod, whether or not separately incorporated, which the Synod in convention or its Board of Directors has caused or authorized to be formed to further the Synod's objectives. (1) Agencies include each board, commission, council, seminary, university, college, district, Concordia Plan Services, and each synodwide corporate entity. (2) The term “agency of the Synod” does not describe or imply the existence of principal and agency arrangements as defined under civil law. (2010 LCMS *Handbook*, Bylaw 1.2.1 (a))

- **Policy**

The Lutheran Church–Missouri Synod Board of Directors has the powers and duties under the LCMS Bylaws to engage legal counsel for the guidance of the LCMS Board and for advice to the officers and agencies of the Synod. It is imperative that not only the Synod but also agencies of the Synod be represented by competent legal counsel.

The governing board of each agency of the synod and each synodwide corporate or trust entity shall determine the parties and process for selecting general counsel for its organization.

³While included in the Bylaw definition of “Agency” (see definitions, above), this policy is not applicable to the following agencies of the Synod which are organizationally part of corporate Synod and thereby subject to the policies for Corporate Synod: the Commission on Theology and Church Relations, the Board for National Mission, the Board for International Mission, the Commission on Constitutional Matters, the Commission on Handbook, the Commission on Doctrinal Review, the Board for Church Extension, and others as may be created from time to time.

The Synod's general counsel may serve as general counsel or special counsel for these entities, except to the extent such creates a conflict of interest, in which case the Synod's general counsel must advise the Board of Directors of the Synod and the interested agency or synodwide corporate or trust entity of the conflict to determine whether a waiver of the conflict is possible and appropriate.

Upon approval of the Chief Administrative Officer or the Board of Directors, the Synod's general counsel may be made available to assist other agencies of the Synod in their selection of general counsel or special counsel; to the extent such agencies have authority to select legal counsel.

All agencies of the Synod shall promptly inform the LCMS Chief Administrative Officer of the names of all general counsel and special counsel engaged by those agencies.

In certain circumstances and upon approval of the LCMS Chief Administrative Officer, the Synod's general counsel may be made available to the general counsel and special counsel of agencies of the Synod in order best to coordinate the legal affairs handled by the Synod and those handled by the agencies of the Synod, and to ensure that the highest quality of legal services are provided in an efficient manner.

All officers, executives, and agencies of the Synod shall work through the LCMS Chief Administrative Officer with respect to the use of the Synod's general counsel or other legal counsel.

- **Procedures**

Selection or renewal of counsel for agencies shall follow process developed by each governing board for their respective agency.

Notification of Counsel selection should be made to:

The Lutheran Church–Missouri Synod
Chief Administrative Officer
1333 S. Kirkwood Road
St. Louis, MO 63122

Or via email to BOD@LCMS.org

Inquiries regarding the availability and use of Synod's legal counsel should be directed the LCMS Chief Administrative Officer at 314.996.1351.

LCMS Board of Directors – Administrative Policies for Agencies⁴ of the Synod

6.1.2 Responding to Litigation Brought Against Agencies of the Synod

Policy Title: Responding to Litigation Brought Against Agencies of the Synod	
Audience: Agencies of The Lutheran Church–Missouri Synod	Policy Number: (6) 1.2
Responsible for enforcement: LCMS Chief Administrative Officer	Effective Date: August 24, 2012
Questions directed to: LCMS Chief Administrative Officer	Original Date:
Exceptions referred to: BOD via LCMS Chief Administrative Officer	Authority: BOD Policy 4.11.10.3
Policy Summary: Agencies must report all litigation to the LCMS Board of Directors through the LCMS Chief Administrative Officer.	

• **Purpose**

To identify a process by which litigation brought against Synod agencies is reported to the LCMS Board of Directors.

• **Scope**

The governing boards, chief executives, administrators, and employees of agencies of the Synod

• **Definitions**

- **Agency:** An instrumentality other than a congregation or corporate Synod, whether or not separately incorporated, which the Synod in convention or its Board of Directors has caused or authorized to be formed to further the Synod’s objectives. (1) Agencies include each board, commission, council, seminary, university, college, district, Concordia Plan Services, and each synodwide corporate entity. (2) The term “agency of the Synod” does not describe or imply the existence of principal and agency arrangements as defined under civil law. (2010 LCMS *Handbook*, Bylaw 1.2.1 (a))
- **Litigation:** Every proceeding before a court of record or involving any administrative, regulatory, or quasi-judicial agency, whether such court or agency be local, state, or national.

• **Policy**

The Lutheran Church–Missouri Synod Board of Directors recognizes that any response by an agency of the Synod to litigation brought against it may impact the Synod and other agencies of the Synod. Cooperation and, in some cases, coordination in such responses is therefore a necessity.

The executive officer of each agency of the Synod shall promptly advise the Chief Administrative Officer of the Synod of every lawsuit, arbitration, or administrative proceeding brought against the agency, its officers, staff, volunteers, and missionaries, and/or its agencies, their officers, staff, missionaries, and volunteers.

The Chief Administrative Officer will ensure that LCMS general counsel reports to the Board on a quarterly basis each lawsuit, arbitration, and administrative proceedings that may have an impact upon the Synod or other agencies of the Synod.

⁴While included in the Bylaw definition of “Agency” (see definitions, above), this policy is not applicable to the following agencies of the Synod which are structurally part of corporate Synod and thereby subject to the policies for Corporate Synod: the Commission on Theology and Church Relations, the Board for National Mission, the Board for International Mission, the Commission on Constitutional Matters, the Commission on Handbook, the Commission on Doctrinal Review, the Board for Church Extension, and others as may be created from time to time.

- **Procedures**

Notification of litigation should be made to:

The Lutheran Church–Missouri Synod
Chief Administrative Officer
1333 S. Kirkwood Road
St. Louis, MO 63122

Or via email to BOD@lcms.org

Inquiries regarding the availability and use of Synod's legal counsel should be directed the LCMS Chief Administrative Officer at 314-996-1351.

LCMS Board of Directors – Administrative Policies for Agencies⁵ of the Synod

6.1.3 Responding to Litigation Brought Against Agencies of the Synod

Policy Title: Initiating Litigation by Agencies of the Synod	
Audience: Agencies of The Lutheran Church–Missouri Synod	Policy Number: (6) 1.3
Responsible for enforcement: LCMS Chief Administrative Officer	Effective Date: August 24, 2012
Questions directed to: LCMS Chief Administrative Officer	Original Date:
Exceptions referred to: BOD via LCMS Chief Administrative Officer	Authority: BOD Policy 4.11.10.2
Policy Summary: Agencies may initiate litigation in certain circumstances with appropriate notification. Matters having the potential of broad synod-wide significance must be approved by the LCMS Board of Directors before initiation of litigation by an agency.	

• **Purpose**

To identify to parties having authority and responsibility for initiating litigation on behalf of agencies of the Synod

• **Scope**

The LCMS Board of Directors, administrators, employees of corporate Synod; the governing boards, administrators, employees of agencies of the Synod; congregations; other Synod members; and interested parties

• **Definitions**

- **Agency:** An instrumentality other than a congregation or corporate Synod, whether or not separately incorporated, which the Synod in convention or its Board of Directors has caused or authorized to be formed to further the Synod's objectives. (1) Agencies include each board, commission, council, seminary, university, college, district, Concordia Plan Services, and each synodwide corporate entity. (2) The term "agency of the Synod" does not describe or imply the existence of principal and agency arrangements as defined under civil law. (2010 LCMS Handbook, Bylaw 1.2.1 (a))
- **Corporate Synod** (see Bylaw 1.2.1(d))
- **Property of the Synod** (see Bylaw 1.2.1(q))
- **Synod** (see Bylaw 1.2.1(v))

• **Policy**

The LCMS Board of Directors recognizes that any participation in litigation by an agency of the Synod, may have an adverse effect on the Synod as a church organization and that litigation must, therefore, be entered into only when it has been responsibly determined that such is likely to serve the best interests of the Synod and, when applicable, all of the Synod's avenues for conflict resolution have been exhausted.

Separate synodwide corporate and trust entities and the districts may, pursuant to their corporate duties and responsibilities, initiate litigation on behalf of themselves, but they may not initiate any lawsuit, arbitration, or administrative proceeding in the name of The Lutheran Church—Missouri Synod or which may have a legal or adverse impact upon the Synod or any other agency of the Synod without the prior approval of the Board of Directors of the Synod or, in cases of emergency, the Executive Committee of the Board of Directors.

⁵ While included in the Bylaw definition of "Agency" (see definitions, above), this policy is not applicable to the following agencies of the Synod which are organizationally part of corporate Synod and thereby subject to the policies for Corporate Synod: the Commission on Theology and Church Relations, the Board for National Mission, the Board for International Mission, the Commission on Constitutional Matters, the Commission on Handbook, the Commission on Doctrinal Review, the Board for Church Extension, and others as may be created from time to time.

Within the confines of the previous paragraph, an agency of the Synod shall initiate such litigation only with prior approval by the LCMS Board of Directors or its Executive Committee if the nature of any issue involved in such litigation may involve financial or other interests or property of the Synod not exclusively limited to the agency.

The chief executive officer of each agency of the Synod shall, prior to filing, cause each pleading and motion filed on behalf of the agency in any court to be sent to the Synod's general counsel for review and comment.

Any agency of the Synod which violates the foregoing regulations with respect to the initiation of litigation may be ordered by the Board of Directors to withdraw from the litigation. The decision of whether litigation is within the confines stated above shall be made by the Executive Committee of the LCMS Board of Directors which shall promptly report each such decision to the full Board of Directors, provided however that the agency of the Synod may appeal the decision of the Executive Committee to the entire Board of Directors, the decision of which shall be final and conclusive.

• **Procedures**

Notification to the LCMS Board of Directors should be communicated via the LCMS Chief Administrative Officer at BOD@lcms.org or 314-996-1351.

Contact with Synod's general counsel should be routed via the LCMS Chief Administrative Officer.

7 Appendix B: Administrative Policies for Corporate Synod

7 Appendix B: Administrative Policies for Corporate Synod 7-1

7.1 Initiating Litigation by the Synod or Corporate Synod 7-2

7.2 Responding to Litigation Brought Against the Synod or Corporate Synod 7-2

7.3 Title: Engagement of Legal Counsel for the Synod..... 7-4

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Editors Note:

Traditionally, Section 5 contained policies directed to Corporate Synod. The LCMS Board of Directors is working to separate the policies contained in this section into a more “user friendly” set of policies that are codified and arranged according to audience. As policies for Corporate Synod are reviewed and approved by the Policy Committee, they will be moved into this Appendix B.

Appendix B – contains Administrative Policies and Procedures for Corporate Synod. These Administrative Policies and Procedures are authorized in BOD Policy 4.11.10.

Be sure to consult Section 5 for additional policies for Corporate Synod.

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7.1 Initiating Litigation by the Synod or Corporate Synod

Policy Title: Initiating Litigation by the Synod or Corporate Synod	
Audience: Board of Directors, Corporate Synod	Policy Number: 7.1
Responsible for enforcement: LCMS Chief Administrative Officer	Effective Date: August 24, 2012
Questions directed to: LCMS Chief Administrative Officer	Original Date:
Exceptions referred to: BOD via LCMS Chief Administrative Officer	Authority: BOD Policy 4.11.9.2
Policy Summary: The initiation of litigation, lawsuit, arbitration, or administrative proceeding must be approved by the LCMS Board of Directors.	

• **Purpose**

To identify to parties having authority and responsibility for initiating litigation on behalf of the Synod and/or Corporate Synod

• **Scope**

The Board of Directors, administrators, employees of corporate Synod, other Synod members and interested parties

• **Definitions**

- Agency (see Bylaw 1.2.1(a))
- Corporate Synod (see Bylaw 1.2.1(d))
- Synod (see Bylaw 1.2.1(v))

• **Policy**

The Lutheran Church–Missouri Synod Board of Directors recognizes that any participation in litigation by the Synod, including by an agency of the Synod, may have an adverse effect on the Synod as a church organization, and that litigation must, therefore, be entered into only when it has been responsibly determined that such is likely to serve the best interests of the Synod and, when applicable, all of the Synod’s avenues for conflict resolution have been exhausted

No lawsuit, arbitration, or administrative proceeding shall be commenced by the Synod or any of its officers, executives, or staff without the prior approval of the Board of Directors, or in cases of emergency in which time does not permit obtaining a decision from the full Board, by the Executive Committee of the Board.

• **Procedures**

The desire to initiate litigation must be directed to LCMS legal counsel through the Chief Administrative Officer. The CAO, in consultation with the legal counsel, will make recommendation to the board regarding the need and advisability of proceeding toward initiating litigation.

7.2 Responding to Litigation Brought Against the Synod¹ or Corporate Synod

Policy Title: Responding to Litigation Brought Against the Synod or Corporate Synod	
Audience: Board of Directors, Corporate Synod	Policy Number: 7.2
Responsible for enforcement: LCMS Chief Administrative Officer	Effective Date: August 24, 2012
Questions directed to: LCMS Chief Administrative Officer	Original Date:
Exceptions referred to: BOD via LCMS Chief Administrative Officer	Authority: BOD Policy 4.11.9.3
Policy Summary: LCMS general counsel shall respond to and monitor all litigation brought against the Synod and Corporate Synod.	

• **Purpose**

To identify to parties having authority and responsibility for responding to and monitoring litigation brought against the Synod and Corporate Synod.

• **Scope**

The Board of Directors, administrators, employees of corporate Synod, other Synod members and interested parties

• **Definitions**

- Agency (see Bylaw 1.2.1(a))
- Corporate Synod (see Bylaw 1.2.1(d))
- Synod (see Bylaw 1.2.1(v))
- **Litigation:** Every proceeding before a court of record or involving any administrative, regulatory, or quasi-judicial agency, whether such court or agency be local, state, or national.
- **Litigation brought against the Synod:** Shall include not only those instances in which Corporate Synod as a corporation is named as a defendant or respondent, but also all cases in which a board, commission, committee, officer, volunteer, missionary, or employee of the corporation is named as a party and the allegation expressly or reasonably implies action on behalf of Corporate Synod.

• **Policy**

The LCMS Board of Directors recognizes that any response to litigation brought against the Synod or Corporate Synod may impact the Synod, its agencies, and members. Cooperation in such responses is therefore a necessity.

The Chief Administrative Officer shall report to the Board any litigation brought against the Synod.

The Chief Administrative Officer, in consultation with the Synod's general counsel and when necessary the Executive Committee of the Board, shall select legal counsel to represent the Synod in each case of litigation brought against the Synod or an agency of corporate Synod. General counsel shall supervise all responses to litigation brought against the Synod, including without limitation seeking extensions, answering, discover, filing counter claims and/or cross claims, moving to dismiss or for summary judgment, and negotiating settlements. However, in the event that the case is covered by insurance and the insurance carrier has the right and duty to select counsel, such right and duty shall be honored

¹While litigation cannot legally be brought against "the Synod" because it is not a legal entity, occasional attempts are made to involve the Synod in litigation. These attempts require the LCMS Board of Directors to respond on behalf of the Synod.

In such cases, the Synod's general counsel will monitor all litigation and settlements provided by the insurance carrier's counsel.

General counsel shall provide in the Board's docket a written report of all pending cases including decisions by the Chief Administrative Officer or the Executive Committee of the Board on responses to litigation brought against the Synod. General counsel shall also provide to the Board on a confidential basis the terms of any settlements.

- **Procedures**

Reporting of litigation brought against the Synod is typically done through the legal report to the Board of Directors at its regularly meetings. Where circumstances require more timely notification of the Board or its executive committee, the Chief Administrative Officer will use alternate appropriate methods of communication.

Reporting of all settlement terms will also be communicated at the Board's regular meetings.

7.3 Title: Engagement of Legal Counsel for the Synod

Policy Title: Engagement of Legal Counsel for the Synod	
Audience: Board of Directors, Corporate Synod	Policy Number: 7.3
Responsible for enforcement: LCMS Chief Administrative Officer	Effective Date: August 24, 2012
Questions directed to: LCMS Chief Administrative Officer	Original Date:
Exceptions referred to: BOD via LCMS Chief Administrative Officer	Authority: BOD Policy 4.11.9.1
Policy Summary: The Board of Directors of the Synod selects the Synod’s general counsel and in certain instances, special counsel.	

- **Purpose**

To clearly identify the parties responsible for appointing legal counsel for The Lutheran Church–Missouri Synod.

- **Scope**

The Board of Directors, administrators, employees of corporate Synod, other Synod members and interested parties

- **Definitions**

None

- **Policy**

The Board has the power and duty under the LCMS Bylaws to engage legal counsel for the guidance of the Board and for advice to the officers and agencies of the Synod. It is imperative that The Synod be represented by competent legal counsel.

The board’s selection of general counsel for the Synod shall be for a three-year renewable period. Such selection to take place at the first board meeting of the calendar year after each regular LCMS Convention with the engagement or renewal to begin at the beginning of the subsequent fiscal year (July)

Except for the boards’ reservation of the right to select special counsel for legal matters of synod-wide significance (BOD Policy 3.2.9.3), the board does otherwise delegate to the chief administrative officer the authority to engage special counsel (BOD Policy 4.11.2).

If it is deemed appropriate in the judgment of the Executive Committee of the Board that a second opinion be obtained or that independent counsel represent the Synod in any case, the Executive Committee is authorized to engage such special counsel for that case.

All officers and executives shall work through the Chief Administrative Officer with respect to the use of the Synod’s general counsel or other legal counsel.

- **Procedures**

Selection or renewal of general counsel shall follow a procedure developed by the board of directors.

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9 BOD Policy Manual Review Table

8-Jun-18 ■ current review ■ next review

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1.3	Partners in Ministry	03/1997	03/1997	02/2017	02/2020
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2.2	Board of Directors' Member Responsibilities	03/2004	02/2017	02/2017	02/2020
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2.5	Groups with Relationship to the Board of Directors	07/1998	07/1998	02/2017	02/2020
2.6	Officers of the Board of Directors	01/2002	02/2017	02/2017	02/2020
2.7	Board Officer Responsibilities		02/2017	02/2017	02/2020
2.8	Officer of the Synod Serving on the Board of Directors	07/1998	11/2013	02/2017	02/2020
2.9	Executive Committee of the Board of Directors	07/1998	11/2013	02/2017	02/2020
2.10	Committees of the Board of Directors	06/2003	11/2016	02/2017	02/2020
2.11	The Leadership Role of the Board of Directors	12/2000	02/2017	02/2017	02/2020
2.12	Board of Directors' Self-Review	03/1997	02/2017	02/2017	02/2020
2.13	Corporate Synod Effectiveness Assessment	05/2014	05/2014	02/2017	02/2020
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3.1	Board of Directors' Manner of Delegating	09/2007	09/2007	08/2017	08/2020
3.2	Matters Requiring Board of Directors' Action	07/2004	05/2015	08/2017	08/2020
3.3	Board of Directors' Executive's Accountability	07/1998	11/2011	08/2017	08/2020
3.4	Exceeding Board of Directors' Executive's Limitations	12/1999	11/2011	08/2017	08/2020
3.5	Means of Monitoring by Board of Directors	09/2007	05/2015	08/2017	08/2020
3.6	Board of Directors' Agenda	09/2007	05/2015	08/2017	08/2020

**Board of Directors
Policy Manual**

BOD Policy Manual Review Table

Policy #	Policy Name	Original Date (?)	Last Revision	Last Reviewed	Triennial Review
4	Board of Directors Executive Limitation Policies				
4.1	Executive Limitation On Financial and Operating Plans	07/1998	05/2008	11/2017	11/2020
4.2	Board of Directors' Executive Limitation on Budget Matters	01/2002	11/2017	11/2017	11/2020
4.3	Board of Directors' Executive Limitation on Accounting Policies	12/2000	11/2011	11/2017	11/2020
4.4	Board of Directors' Executive Limitation on Financial Transactions	05/2001	05/2001	11/2017	11/2020
4.5	Board of Directors' Executive Limitation on Audits	08/2006	08/2006	11/2017	11/2020
4.6	Board of Directors' Executive Limitation on Property and Purchasing	09/2000	05/2012	11/2017	11/2020
4.7	Board of Directors' Executive Limitation on Insurance	07/2004	05/2012	11/2017	11/2020
4.8	Board of Directors' Executive Limitation on Human Resources	12/2000	05/2008	11/2017	11/2020
4.9	Board of Directors' Executive Limitation on IC Facilities and Services	09/2005	09/2005	11/2017	11/2020
4.10	Board of Directors' Administrative and Relational Policies	12/1999	11/2011	11/2017	11/2020
4.11	Board of Directors' Executive Limitation on Legal and Gov't Matters	07/1998	05/2012	11/2017	11/2020
4.12	Board of Directors' Executive Limitation on Fund Raising	05/2015	05/2014	11/2017	11/2020
5	BOD Policies for Agencies of the Synod				
5.1	Accounting Policies	06/2000	06/2000	05/2018	05/2018
5.2	Financial Transaction Policies	05/2001	05/2018	05/2018	05/2018
5.3	Audit Policies	08/2006	08/2015	05/2018	05/2018
5.3.2	Board of Directors Audit Committee Charter		08/2015	05/2018	05/2018
5.3.3	Synod's Internal Audit Department Charter		08/2015	05/2018	05/2018
5.3.4	Financial Misconduct	11/2008	11/2008	05/2018	05/2018
5.4	Property Policies	12/2000	05/2018	05/2018	05/2018
5.5	Insurance	03/2005	11/2009	05/2018	05/2018
5.6	Human Resource Policies	01/ 2002	11/2015	11/2015	08/2018
5.6.6	Committee for Human Resources		11/2011	11/2015	08/2018
5.6.7	Calling, Appointing and Employing Staff	01/2002	11/2011	11/2015	08/2018
5.6.9	The Acceptance of Gifts, Entertainment, or Favors	02/2008	02/2008	11/2015	08/2018
5.7	Miscellaneous Administrative Policies	07/1998		11/2015	11/2018
5.7.1	Working Together	07/1998	06/2003	11/2015	11/2018

Policy #	Policy Name	Original Date (?)	Last Revision	Last Reviewed	Triennial Review
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5.7.3	Ownership and Management of Lists	07/1998	11/2015	11/2015	11/2018
5.7.4	Contacts with the News Media	07/1998	11/2015	11/2015	11/2018
5.7.5	Use of Synodical Logo	07/1998	11/2015	11/2015	11/2018
5.7.6	The LCMS Website and Internet Presence	07/1998	11/2015	11/2015	11/2018
5.7.7	Special Emphasis Observances	07/1998	5/2014	11/2015	11/2018
5.7.8	Electronic Meetings		11/2011	11/2015	11/2018
5.7.9	Request for LCMS Board or Commission Minutes	07/1998	02/2008	11/2015	11/2018
5.8	Legal Policies	03/1997	03/1997	02/2018	02/2021
5.8.1	Participation as Amicus Curiae		07/1998	02/2018	02/2021
5.8.2	Powers of Attorney for the Synod		02/2015	02/2018	02/2021
5.8.3	Contacts with Government Offices and Agencies		02/2015	02/2018	02/2021
5.8.4	Approval of New Corporations as Agencies of the Synod		11/2016	2/2018	02/2021
5.8.5	Approval of Foreign Corporations for Mission Purposes		11/2011	02/2018	02/2021
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6.1.1	Engagement of Legal Counsel for Agencies of the Synod	8/2012	8/2012	02/2018	02/2021
6.1.2	Responding to Litigation Brought Against Agencies of the Synod	8/2012	8/2012	02/2018	02/2021
6.1.3	Initiating Litigation by Agencies of the Synod	8/2012	8/2012	02/2018	02/2021
7	Appendix B: Administrative Policies for Corporate Synod				
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7.2	Responding to Litigation Brought Against Synod or Corporate Synod	8/2012	8/2012	02/2018	02/2021
7.3	Engagement of Legal Counsel for the Synod	8/2012	8/2012	02/2018	02/2021

10 2016-2019 Triennium - BOD Triennial Calendar of Activities

SYNOD BOARD OF DIRECTORS ANNUAL POLICY REVIEW, MONITORING AND ACTION CALENDAR				
MEETING	POLICY REVIEW	MONITOR/REVIEW or RECEIVE	BOARD ACTIONS*	PARTNER VISITS
<p>Aug/Sept</p> <p>1st Year – 2016 2nd Year – 2017 3rd Year – 2018</p>	<p>1st Year of Triennium</p> <ul style="list-style-type: none"> • <p>2nd Year</p> <ul style="list-style-type: none"> • Section 3 Board of Directors and Officer Relationship Policies <p>3rd Year</p> <ul style="list-style-type: none"> • 5.6 Human Resource Policies 	<p>Monitor/Review/Receive</p> <ul style="list-style-type: none"> • Listing of LCMS properties 	<p>Annually</p> <p>Other</p> <ul style="list-style-type: none"> • Election of board officers and exec Committee (1st Year) • BOD Meeting Schedule (1st Year) • Conflict of Interest (1st Year) • Adopt <i>BOD Annual Calendar of Activities</i> (1st Year) <p>Appointments</p> <ul style="list-style-type: none"> • LFND MaL (1st Year) • CUS CoM (1st Year) 	<p>Annually</p> <ul style="list-style-type: none"> • Office of National Mission <p>1st Year of Triennium</p> <ul style="list-style-type: none"> • <p>2nd Year</p> <ul style="list-style-type: none"> • Concordia Publishing House <p>3rd Year</p> <ul style="list-style-type: none"> • Concordia Historical Institute
<p>November</p> <p>1st Year – 2016 2nd Year – 2017 3rd Year – 2018</p>	<p>1st Year of Triennium</p> <ul style="list-style-type: none"> • <p>2nd Year</p> <ul style="list-style-type: none"> • Section 4 Board of Directors Executive Limitation Policies <p>3rd Year</p> <ul style="list-style-type: none"> • 5.7 Miscellaneous Administrative Policies 	<p>Monitor/Review/Receive</p> <ul style="list-style-type: none"> • Audit Report Summary —All Primary Partners • LCMS Corporations Listing • POA Listing 	<p>Annually</p> <ul style="list-style-type: none"> • Receive Audited Statements • Engage Auditors, Adopt Audit Charters & Audit Plan • Insurance • Policy Limits/Deductibles • Board Self Review <p>Other</p> <ul style="list-style-type: none"> • Determine need to appoint BOD members (1st Year) • Board Report to Convention (3rd Year) 	<p>Annually</p> <ul style="list-style-type: none"> • Office of International Mission • Council of Presidents <p>1st Year of Triennium</p> <ul style="list-style-type: none"> • Concordia University System <p>2nd Year</p> <ul style="list-style-type: none"> • <p>3rd Year</p> <ul style="list-style-type: none"> •

SYNOD BOARD OF DIRECTORS ANNUAL POLICY REVIEW, MONITORING AND ACTION CALENDAR				
MEETING	POLICY REVIEW	MONITOR/REVIEW or RECEIVE	BOARD ACTIONS*	PARTNER VISITS
Feb 1st Year – 2017 2nd Year – 2018 3rd Year – 2019	<p>1st Year of Triennium</p> <ul style="list-style-type: none"> Section 1. Desired Outcome Policies Section 2. Board Self Governance Policies <p>2nd Year</p> <ul style="list-style-type: none"> 5.8 Legal Policies Section 6. Administrative Policies for Agencies of the Synod Section 7. Administrative Policies for Corporate Synod <p>3rd Year</p> <ul style="list-style-type: none"> 5.9 RSO Policies 	<p>Monitor/Review/Receive</p> <ul style="list-style-type: none"> Compensation Survey - Salary Report Employee Handbook Performance Evaluation of CAO/CFO HR - Personnel/Staffing Report and Projections <p>3rd Year</p> <ul style="list-style-type: none"> Board Self Review (Survey after Feb. meeting, report in May) Receive BOD report to the Convention 	<p>Annually</p> <ul style="list-style-type: none"> Salary Classification and Ranges Salary, benefit, and bonus budget projections Officers Salary Recommendation <p>Other</p> <ul style="list-style-type: none"> Engage General Counsel (1st Year) Board Overtures to Convention (3rd Year) <p>Appointments</p> <ul style="list-style-type: none"> Housing Support (Annually) Appoint BOD members, if necessary (1st Year) <p>2nd Year</p> <ul style="list-style-type: none"> CMO Appointment 	<p>Annually</p> <ul style="list-style-type: none"> LCMS Communications <p>1st Year of Triennium</p> <ul style="list-style-type: none"> Concordia Plan Services <p>2nd Year</p> <ul style="list-style-type: none"> Lutheran Church Extension Fund <p>3rd Year</p> <ul style="list-style-type: none"> Lutheran Women’s Missionary League
May 1st Year – 2017 2nd Year – 2018 3rd Year – 2019	<p>1st Year of Triennium</p> <ul style="list-style-type: none"> <p>2nd Year</p> <ul style="list-style-type: none"> 5.1 Accounting Policies 5.2 Financial Transaction Policies 5.3 Audit Policies 5.4 Property Policies 5.5 Insurance <p>3rd Year</p> <ul style="list-style-type: none"> 	<p>Monitor/Review/Receive</p> <ul style="list-style-type: none"> Budget Process & Information Annual Risk Management Report Review Grants by Agencies Lines of Credit and Guarantees Signature Authority 	<p>Annually</p> <ul style="list-style-type: none"> Adopt Budgets (Operating & Capital) Designation of Unrestricted Net Assets <p>Other</p> <ul style="list-style-type: none"> Adopt Convention Budget (2nd Year) <p>Appointments</p> <ul style="list-style-type: none"> Appoint LCEF Members-at-large Appoint CPS Board of Directors 	<p>Annually</p> <ul style="list-style-type: none"> LCMS Mission Advancement <p>1st Year of Triennium</p> <ul style="list-style-type: none"> Constitutional Matters, Commission <p>2nd Year</p> <ul style="list-style-type: none"> LCMS Foundation <p>3rd Year</p> <ul style="list-style-type: none"> Lutheran Hour Ministries