**Guiding Principles**

**Grace Lutheran Church**

**MISSION PRINCIPLES**

**MP 1.0 Comprehensive Mission Statement.**

We exist to connect people to Christ.

We commit to grow together in knowledge, faith and love.

We serve God by serving others.

**MP 1.1 Component: Connect**

Our very reason for existing as a church body is to connect people to Christ. This includes our members, those that visit our congregation, those who live in our community, and those in the world at large. Everything we do should in some way support this goal, so that the Holy Spirit may do His work in their hearts.

**MP 1.2 Component: Grow**

The Senior Pastor shall encourage the congregation to be committed to growing as disciples by providing opportunities for Christian education and growth as well as by working to create and maintain a culture committed to that growth. He shall encourage and hold accountable other called workers, staff, and lay leaders to do the same.

**MP 1.3 Component: Serve**

In accordance with the command and example of Jesus Christ, as individuals and as a church body, we seek to demonstrate the love of Christ by meeting the physical, emotional, and spiritual needs of others. Whenever possible, acts of service shall include conscious efforts to share the Good News of salvation through His life, death, and resurrection.

**MP 2.0 Fidelity to God’s Word**

We firmly hold that the Holy Bible is the true Word of God. All preaching, teaching, and practices of our congregation shall be done in accordance with it, as explained in Luther’s Catechisms and our Lutheran confessions. If we are not faithful to the entire Word of God in this way, our proclamation of the Gospel will have nothing of lasting value to offer a lost and hurting world.

**BOUNDARY PRINCIPLES**

**BP 1.0 Comprehensive Boundary Statement**

The Senior Pastor shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, unethical, or unbiblical.

**BP 1.1 Component: Biblical and Moral Integrity**

With regard to the teaching, leadership, and membership of the church, the Senior Pastor shall not fail to uphold high standards of biblical teaching and morality.

**BP 1.2 Component: Financial Planning and Budgeting**

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Mission Principles, risk financial jeopardy, or fail to be consistent with a multiyear plan.

**Detail BP 1.2.1 Component: Sufficient Information**

The Senior Pastor shall not allow budgeting that contains too little information to enable credible projections of revenue and expenses, separation of capital and operational items, relation of expenditures to Mission Principles, and disclosure of multiyear planning assumptions.

**Detail BP 1.2.2 Component: Expenditures within Expected Funds**

The Senior Pastor shall not allow budgeting that plans the expenditure in any fiscal year of more funds than are projected to be received in that period, unless specific circumstances are adequately described including a realistic plan to make up the deficit within the following fiscal year.

**Detail BP 1.23 Component: Cash Reserve**

The Senior Pastor shall not allow budgeting or other financial planning that allows cash reserves to drop below a safety reserve of two months expenses.

**BP 1.3 Component: Financial Condition and Activities**

With respect to the actual, ongoing financial conditions and activities, the Senior Pastor shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Mission Principles.

**Detail BP 1.3.1 Component: Cash Management Procedure**

The Senior Pastor shall implement a procedure such that the Executive Director shall approve all expenditures that are within the budget and Senior Pastor shall approve all expenditures not included in the budget. His authority for approval of non-budget items shall be up to $2500 and he shall notify the President and Treasurer of the expenditure as soon as reasonably possible. Any non-budget expenditure over $2500 shall be approved by the Board of Directors. Further, the procedure shall provide for the maintenance of a record of all expenditure approvals.

**Detail BP 1.3.2 Component: Financial Reports**

The Senior Pastor shall provide the Board of Directors with financial reports at least on a quarterly basis.

**BP 1.4 Component: Treatment of Members**

With respect to interactions with members or potential members, the Senior Pastor shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy.

**BP 1.5 Component: Compensation and Benefits**

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

**BP 1.6 Component: Treatment of Staff**

With respect to the treatment of paid and volunteer staff the Senior Pastor may not cause or allow conditions that are undignified, or unlawful.

**BP 1.7 Component: Communication and Support to the Board**

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

**BP 1.8 Component: Emergency Senior Pastor Succession**

In order to protect the board from the sudden loss of Senior Pastor services, the Senior Pastor will have at least one other ministry staff member familiar with board and Senior Pastor issues and processes.

**ACCOUNTABILITY PRINCIPLES**

**AP 1.0 Comprehensive Accountability Statement**

The responsibility of the board before God, on behalf of people of Grace Lutheran Church of Knoxville and the surrounding region who need to be led to Christ and nurtured in Him, is to see that Grace Lutheran Church of Knoxville, through the leadership of its Senior Pastor, (1) achieves the fulfillment of its Mission Principles, and (2) avoids violation of its Boundary Principles.

**AP 1.1 Component: Stewardship to Christ for Those He Calls Us to Serve**

The board shall maintain the position that Christ is the Lord of the church and the people He has called His church to serve.

**AP 1.1.1 Detail: Devotion to Prayer and the Word of God**

Under the teaching and guidance of the Senior Pastor, the board will continually seek the wisdom and leading of Christ as the Lord of the church. To this end, significant attention will be given to prayer and study of Scripture as a group.

**AP 1.2 Component: Disciplining the Process of the Board**

The board shall conduct itself with discipline and integrity with regard to its own process of governance.

**AP 1.2.1 Detail; Board Style**

The board will govern with an emphasis on (1) outward vision rather than internal preoccupation, (2) consideration of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of board and staff roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) being proactive rather than reactive.

**AP 1.2.2 Detail: Board Job Description**

The essential jobs of the board are: concern for the people served, defining the guiding principles, and monitoring the performance of the Senior Pastor. In addition to these three essentials, the board shall exercise authority granted to it in the bylaws and not delegated to the Senior Pastor.

**AP 1.2.3 Detail: Board Member Code of Conduct**

The board commits itself and its members to the following code of conduct:

a. A member must disclose any fiduciary conflict of interest and withdraw from any decision-making affected by it.

b. Members of the board must honor the principles and decisions of the board acting as a whole. They may not foster dissent or attempt to exercise individual authority over the staff or the organization except as explicitly stated in the guiding principles.

c. Members of the board must respect the confidentiality of sensitive board issues and must avoid facilitating gossip or other ’’triangulation” against the practice of direct, biblical resolution.

**AP 1.2.4 Detail: Responsibility of the President for Integrity of Process**

The President enforces the integrity and fulfillment of the board's process including the monitoring of Senior Pastor performance. The President is authorized to use any reasonable interpretation of the Accountability Principles as he or she acts to ensure the integrity of the board’s process.

**AP 1.2.5 Detail: Use of Board Committees**

Board committees, if used, will be assigned so as to reinforce the wholeness of the board's job and never to interfere with the delegation from the board to the Senior Pastor or with the work of the staff.

**AP 1.2.6 Detail: Cost of Governance**

The board shall invest time and effort in developing its own governance capacity through prudent use of training, outside expertise, and research mechanisms. The Board shall include in its budget recommendation adequate resources to fund these expenses.

**AP 13 Component: Monitoring the Performance of the Senior Pastor**

The Board's sole official connection to the operating organization of the church, its achievement, and conduct shall be through the Senior Pastor.

**AP 1.3.1 Detail: Unity of Control**

Only decisions of the board acting as a whole are binding on the Senior Pastor.

**AP 1.3.2 Detail: Accountability of the Senior Pastor**

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

**AP 1.3.3 Detail: Delegation to the Senior Pastor**

The board will instruct the Senior Pastor through written principles that define the mission to be achieved and establish the boundaries to be abided by, allowing the Senior Pastor to use any reasonable interpretation of these principles.

**AP 1.3.4 Detail: Performance of the Senior Pastor**

The Board shall evaluate the Senior Pastor’s performance based on the following criteria:

* Measurable accomplishments of the church consistent with our stated mission
* Senior Pastor and staff accomplishment of stated goals
* Senior Pastor’s compliance with the Guiding Principles

**AP 1.3.5 Detail: Annual Goals of the Senior Pastor**

The Senior Pastor will be required to write measurable goals each year that correspond to each of the board's mission principles. At least one of these goals for each mission principle must project growth in the number of people who benefit or participate.

**AP 13.6 Detail: Annual Review of the Senior Pastor**

Each year, the board shall review the results achieved by the Senior Pastor on each of the annual goals. A merit raise, cost of living raise, corrective action, or request for resignation shall be based on these results achieved within the board's boundary principles.

**AP 13.7 Detail: Periodic Goal Review of the Senior Pastor**

At the meetings of the Board, the Senior Pastor's goals will be discussed and reviewed for performance, modification, and accountability.