

Board Governance Policy

First United Methodist Church of Festus-Crystal City

1.0 Ends Policy

- Our mission is to make disciples of Jesus Christ for the transformation of the world. Our vision is to reach, form, and send new generations of people in Christ's name.
This is a placeholder for a formal Ends policy. The Ends policy work needs to still be done. Ends policies guides the Board and Senior Pastor by naming the preferred **OUTCOMES** from the ministries of First United Methodist Church of Festus-Crystal City. An ends policy is not the same thing as a mission or vision statement.

2.0 Global Governance Commitment

- The purpose of the board, on behalf of Jesus Christ as the owner, is to see to it that 1st UMC (a) achieves appropriate results for appropriate persons at an appropriate cost (as specified in board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies).

2.1 Governing Style

- The board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.
- Accordingly:
 - 2.1.1 The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.
 - 2.1.2 The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. **THE BOARD'S MAJOR POLICY FOCUS WILL BE ON THE INTENDED LONGTERM IMPACTS OUTSIDE THE STAFF ORGANIZATION, NOT ON THE ADMINISTRATIVE OR PROGRAMMATIC MEANS OF ATTAINING THOSE EFFECTS.**
 - 2.1.3 The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, confidentiality, and ensuring the continuance of governance capability. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force.
 - 2.1.4 Continual board development will include orientation of new board members in the board's Governance Process and periodic board discussion of process improvement.
 - 2.1.5 The board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling group obligations.

2.1.6 The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

2.2 Board Job Products

- Specific job outputs of the board, as an informed agent of the moral owner—Jesus Christ, are those that ensure appropriate organizational performance. Accordingly, the board has direct responsibility to create:

2.2.1 The linkage between the ownership and the operational organization

2.2.2 Written governing policies that realistically address the broadest levels of all organizational decisions and situations

- A. Ends: organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost)
- B. Executive limitations: constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place
- C. Governance process: specification of how the board conceives, carries out, and monitors its own task
- D. Board-management delegation: how power is delegated and its proper use; the Senior Pastor's role, authority, and accountability

2.2.3 Assurance of successful organizational performance on Ends and Executive Limitations.

2.3 Agenda Planning

- To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (a) completes a re-exploration of Ends policies annually and (b) continually improves board performance through board education and enriched input and deliberation.

2.3.1 The cycle will conclude each year on the last day of December so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term ends.

2.3.2 The cycle will start with the board's development of its agenda for the next year.

- A. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
- B. Governance education and education related to ends determination (presentations by futurists, demographers, advocacy groups, staff, and so on) will be arranged in the first quarter, to be held during the balance of the year.
- C. A board member may recommend or request an item for board discussion by submitting the item to the Chief Governing Officer no later than five days before the board meeting.

2.3.3 Throughout the year, the board will attend to consent agenda items as expeditiously as possible.

2.3.4 Senior Pastor monitoring will be included on the agenda if monitoring reports show policy violations, if policy criteria are to be debated, or if the board, for any reason, chooses to debate amending its monitoring schedule.

2.3.5 The remuneration of the Senior Pastor and all Appointed Staff will be decided at a Charge/Church Conference, the date being determined by the District Superintendent.

2.4 Chief Governance Officer's Role

- The chief governance officer (CGO), a specially empowered member of the board, ensures the integrity of the board's process and, secondarily, occasionally represents the board to outside parties.
- Accordingly:
 - 2.4.1 The assigned result of the CGO's job is that the board behaves consistently with its own rules and those legitimately imposed on it from outside the organization.
 - A. Meeting discussion content will consist solely of issues that clearly belong to the board to decide or to monitor according to board policy.
 - B. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
 - C. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
 1. Those who are not members of the Board may speak before the Board for up to 3 minutes if they are recognized by the CGO.
 - 2.4.2 The authority of the CGO consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) the appointment of the Senior Pastor and (b) areas where the board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.
 - A. The CGO is empowered to chair board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - B. The CGO has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the Senior Pastor.
 - C. The CGO may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
 - D. The CGO may delegate this authority but remains accountable for its use.

2.5 Board Members' Code of Conduct

- The board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.
 - 2.5.1 Members must demonstrate loyalty to Jesus Christ as the Owner of the Church, unconflicted by loyalties to staff, other organizations, or any personal interests as consumers.
 - 2.5.2 Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. When the board is to decide on an issue about which a member has an unavoidable conflict of interest, that member shall recuse herself or himself without comment not only from the vote but also from the deliberation.
 - B. Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. A board member who applies for employment must first resign from the board.

- 2.5.3 Board members may not attempt to exercise individual authority over the organization.
- A. Members' interaction with the Senior Pastor or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the board.
 - B. Members' interactions with the public, the press, or other entities must recognize the limitation and the restriction of any board member to speak for the board except to repeat explicitly stated board decisions.
 - C. EXCEPT FOR PARTICIPATION IN BOARD DELIBERATION ABOUT WHETHER THE SENIOR PASTOR HAS ACHIEVED ANY REASONABLE INTERPRETATION OF BOARD POLICY, MEMBERS WILL NOT EXPRESS INDIVIDUAL JUDGMENTS OF THE PERFORMANCE OF EMPLOYEES OR THE SENIOR PASTOR.
- 2.5.4 Members will respect the confidentiality appropriate to issues of a sensitive nature and understand that a breach of confidentiality, once recognized, will result in immediate dismissal from the board.
- 2.5.5 Members will be properly prepared for board deliberation.
- 2.5.6 Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member's personal position on the issue.
- 2.5.7. As leaders in the church, board members will be expected to exceed the minimum standards expected of all United Methodist Church Members, i.e., to support the church with prayers, presence, gifts, service, and witness.

2.6 Board Committee Principles

- Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to Senior Pastor.
- Accordingly:
 - 2.6.1 Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
 - 2.6.2 Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Senior Pastor.
 - 2.6.3 Board committees cannot exercise authority over staff. Because the Senior Pastor is accountable to board, the Senior Pastor will not be required to obtain the approval of a board committee before an executive action.
 - 2.6.4 Board committees are to avoid overidentification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.
 - 2.6.5 Committees will be used sparingly and ordinarily in an ad hoc capacity, or as required by the Book of Discipline.
 - 2.6.6 This Board Committee policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the Senior Pastor.

2.7 Board Committee Structure

- Except for committees otherwise required by the BOD, a committee is a board committee only if its existence and charge come from the board, regardless of whether board members sit on the committee. The only standing board committees are those that are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete, e.g., an Audit Committee.

2.8 Governance Investment

- Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.
- Accordingly:
 - 2.8.1 Board skills, methods, and supports will be sufficient to ensure governing with excellence.
 - A. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
 - B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, financial audits.
 - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
 - 2.8.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - A. Up to \$ 500 in fiscal year 2016 for training, including attendance at conferences and workshops.
 - B. Up to \$ 250 in fiscal year 2016 for auditing and other third-party monitoring of organizational performance.
 - C. Up to \$ 250 in fiscal year 2016 for surveys, focus groups, opinion analyses, and meeting costs.
 - 2.8.3 The board will establish its cost of governance budget for the next fiscal year during the month of October.

3.0 Board-Senior Pastor Relationship

The Board's sole official connection to the operational organization of the 1st UMC, its achievements, and its conduct shall be through the Senior Pastor.

3.1 Delegation of Executive Authority

Only officially passed motions are binding on the Senior Pastor. The Board does not have the authority to countermand direction to the Senior Pastor given by the current Resident Bishop of the MO Conference and/or the Cabinet. As prescribed by the current BOD, District Superintendent is Senior Pastor's immediate supervisor.

- 3.1.1 Board direction to the Senior Pastor Directions or instructions of individual Board members, officers, or committees are not binding on the Senior Pastor, except in rare instances when the Board has specifically authorized, by vote or by consensus, such exercise of authority.
- 3.1.2 The Senior Pastor's Authority

- 3.1.2.1 The Senior Pastor is the Board's only link to operational achievement and conduct, so that all authority and accountability of the staff as far as the Board is concerned, is considered the authority and accountability of the Senior Pastor. This includes hiring, evaluating, firing, and consideration of raises.
 - 3.1.2.1.1 The Board will never give instructions to persons who report directly or indirectly to the Senior Pastor.
 - 3.1.2.1.2 The Board will not evaluate, either formally or informally, any staff other than the Senior Pastor.
 - 3.1.2.1.3 The Board will view Senior Pastor performance as identical to organizational performance so that organizational accomplishment of the Board stated ends and avoidance of Board-proscribed means will be viewed as successful Senior Pastor performance.
- 3.1.2.2 In cases when Board members or committees request information or assistance without Board authorization, the Senior Pastor may refuse any such requests that are disruptive or that require, in the Senior Pastor's opinion, a material amount of staff time or funds.
- 3.1.2.3 The Board will delegate all authority and accountability for budgeting and financial management to the Senior Pastor, except those items that it reserves for its own authority as spelled out below in 3.1.3.2.

3.1.3 Board & Senior Pastor Domains

- 3.1.3.1 The Board as a whole will be responsible for those three administrative roles required by the current BOD, ¶247.2:

- 1) A Pastor-Parish Relations,
- 2) Trustees, and
- 3) A Finance

Responsibility for these three areas of the Board's functioning will be set forth in the current Book of Discipline of the United Methodist Church, The Standing Rules of the Annual Conference, and in the Board Governance Policy. It is understood that all of the Board members ultimately constitute the complete membership in each of the BOD required committees.

- 3.1.3.1.1 The Senior Pastor will function as an *ex-officio* member of these committees without vote.
- 3.1.3.2 In the Board's role as Trustee, it shall not take any action that is unsafe, illegal, or immoral, nor that violates the current BOD, or the Standing Rules of the Annual Conference.
 - 3.1.3.2.1 The Board in its function as Trustees shall limit the length of all contracts signed.
 - 3.1.3.2.1.1 Phone contracts, copiers, and computers shall be no more than 5 years in length.

- 3.1.3.2.1.2 Land/Building rental or leases shall be no more than 3 years.
- 3.1.3.2.1.2 The Board shall not accrue any more than \$50,000 in reserve for the purpose of maintenance of property.
- 3.1.3.2 The Board may choose to delegate responsibility for immediate oversight of all memorial money and endowments to an Endowment Committee with those responsibilities as set forth in the current BOD.
- 3.1.4 Board & Nominating Committee Domains
 - 3.1.2.4 The Board recognizes the importance of an effective Committee on Nominations and Leadership Development to the successful functioning of 1st UMC that, by the dictates of the BOD is separate from the Board. What's more, the Board recognizes that the Senior Pastor is the Chairperson of the Committee on Nominations and Leadership Development, and will support the Senior Pastor in that work, as well as hold the Senior Pastor Accountable for the Committee's functioning.

3.2 Monitoring Senior Pastor's Authority

Systematic and rigorous monitoring of the Senior Pastor's job performance will be solely against only the expected Senior Pastor's job outputs: organizational accomplishment of Board's policies on ends and organizational operation within the boundaries established in Board policies on Executive Limitations.

- 3.2.1 Purpose of Monitoring

Monitoring is simply to determine the degree to which Board's policies are being met. Information that does not do this will not be considered to be monitoring information.
- 3.2.2 Methods of Monitoring

The Board will acquire monitoring information by one or more of three methods: 1) by internal report, in which the Senior Pastor discloses interpretations and compliance information to the Board; 2) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or 3) by direct Board inspection in which a designated member or members of the Board assess compliance with the appropriate criteria.
- 3.2.3 Criteria for Evaluation
 - 3.2.3.1 In every case, the Board will view Senior Pastor's performance as identical to organizational performance so that organizational accomplishment of the Board stated ends and avoidance of Board proscribed means will be viewed as successful Senior Pastor performance.
 - 3.2.3.2 In every case, the Board will judge by 1) the reasonableness of the Senior Pastor's interpretation and 2) whether the data demonstrate accomplishment of the interpretation.
 - 3.2.3.3 In every case, the standard for compliance shall be any reasonable Senior Pastor interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the board as a whole.
 - 3.2.3.4 All policies that instruct the Senior Pastor will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method but will ordinarily depend on a routine schedule.

3.2.4 Senior Pastor’s Evaluation

The Board will evaluate the Senior Pastor whenever requested by the District Superintendent and by any method requested by the District Superintendent. However, in whatever ways as is practical, the Board will seek to employ the standards of its own Policy Governance criteria and the results of its regular monitoring of performance in the crafting of its responses.

3.2.5 **Monitoring Schedule ****

See Below

Monitoring Schedule:

Policy	Method	Frequency	Month
Ends	Internal	Annually	Feb.
Global Executive Constraint	Internal	Annually	Mar.
Treatment of Consumers	Internal	Annually	May
Treatment of Staff	Internal	Annually	May
Financial Condition and Activities	Internal	Quarterly	Jan., Apr., July, Oct.
	External	Annually	Sept.
Financial Planning and Budgeting	Internal	Quarterly	Feb., May, Aug., Nov.
Emergency CEO Succession	Internal	Annually	Oct.
Asset Protection	Internal	Annually	Nov.
Compensation and Benefits	Internal	Annually	August
	External	Biannually	Sept. of odd-numbered years
Communication and Support	Direct inspection	Annually	July

3.2.6 Noncompliance Remediation

In cases of non-compliance, the Board will work to seek corrective action. If corrective measures are not accomplished, the whole Board alone will have the authority to seek corrective action from the Resident Bishop of the Annual Conference.

3.3 Compensation

As determined by the BOD, compensation for the Senior Pastor and all appointed staff will be determined by vote of a Charge/Church Conference. Recommendations to the Charge/Church Conference for the Senior Pastor’s compensation will be made by the whole Board; recommendations for the compensation of other appointed staff will be made by the Senior Pastor with the authority of the Board (see above 3.1.2.1).

3.3.1 Organizational Performance

Decisions about increases in the Senior Pastor’s Compensation will be based primarily upon the expected Senior Pastor’s job outputs: organizational accomplishment of Board’s policies on ends and organizational operation within the boundaries established in board policies on Executive Limitations.

3.3.2 Compensation

It is understood that in The United Methodist Church that the Senior Pastor is employed by The Annual Conference, and that the local church is the “salary paying unit” of the Annual Conference (this also holds true for all appointed clergy).

Therefore, should there be a change in appointments, it is understood that the total compensation package for the new Pastor will be no less than that which was approved at the most recent Charge/Church Conference unless otherwise determined in consultation with the District Superintendent. Compensation for all appointed staff will meet or exceed the Conference determined minimum levels.

3.3.3 Compensation Aims

Compensation for the Senior Pastor will be based on 3 criteria: 1) The Board’s review of the Senior Pastor’s performance (see above 3.2.3-3.2.4); 2) The needs of the church for a Senior Pastor with the skill sets necessary for achieving the Board’s Ends. This will be determined in relationship to the compensation packages of churches of similar or larger size in the Annual Conference; 3) Possible cost of living increases. However, it is understood that the primary criteria for possible annual increases will always be #1—the Board’s review of the Senior Pastor’s performance.

3.3.4 Annual Compensation Assessment

A. The whole Board, functioning as the BOD-required Pastor-Parish Relation Committee will make an annual review of the Senior Pastor’s performance and, based on that review, make recommendations for possible increases in the Senior Pastor’s compensation package to the Charge/Church Conference. This recommendation will be completed no less than 30 days prior to the Charge/Church Conference; the date and time of which is set by the District Superintendent.

B. Every 3 years, the Board will assess the needs of the church for a pastor with the skill sets necessary for achieving the Board’s Ends. This will be determined in relationship to the compensation packages of churches of similar or larger size in the Annual Conference.

3.3.5 Additional Compensation

The whole Board may make periodic decisions about additional compensatory gifts for the Senior Pastor for occasions such as Christmas, Pastor Appreciation Month, Anniversaries, Retirement, etc.. Upon approval of the whole board, these gifts will be collected from the church as a “love offering.”

4.0 Global Executive Constraint

The Senior Pastor shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business practices and professional ethics and practices. What’s more, the Senior Pastor shall not cause or allow any practice, activity, decision, or organizational circumstance that is a

violation of the current BOD of The UMC, or the Standing Rules of the Annual Conference, or the express direction of the Resident Bishop and/or District Superintendent of The Annual Conference.

4.1 Treatment of Beneficiaries

With respect to interactions with church members, church leadership, or staff in 1st UMC, the Senior Pastor shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.1.1 Elicit information for which there is no clear necessity.
- 4.1.2 Use methods of collecting, reviewing, transmitting, or storing information that fail to protect against improper access to the material elicited.
- 4.1.3 Fail to operate facilities with appropriate accessibility and privacy.
- 4.1.4 Fail to establish with beneficiaries a clear understanding of what may be expected and what may not be expected from the ministry of 1st UMC.
- 4.1.5 Fail to inform beneficiaries of this policy or to provide a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.

4.2 Treatment of Staff

With respect to the treatment of paid and unpaid staff, the Senior Pastor shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.2.1 Operate without written personnel rules that a) clarify rules for staff, b) provide for effective handling of grievances, and c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
- 4.2.2 Discriminate against any staff member for non-disruptive expression of dissent.
- 4.2.3 Fail to acquaint staff with the Senior Pastor's interpretation of their protections under this policy.
- 4.2.4 Allow staff to be unprepared to deal with emergency situations.

4.3 Financial Condition and Activities

With respect to the actual, ongoing financial condition and activities, the Senior Pastor shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in Ends policies. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.3.1 Allow operating funds to fall below 1 month's expenses or exceed 3 month's expenses.
- 4.3.2 Incur debt in an amount greater than can be repaid by certain unencumbered revenues within 30 days.
- 4.3.3 Allow the disbursement of funds from the Endowment fund without explicit directions from the Board.
- 4.3.4 Allow the disbursement of funds from the Renovation fund in excess of \$1,000 without explicit directions from the Board.
- 4.3.5 Fail to settle payroll and debts in a timely manner.

- 4.3.6 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 4.3.7 Make a single purchase or commitment of greater than \$ 5,000 from the general operating fund. Splitting orders to avoid this limit is not acceptable.
- 4.3.8 Acquire, encumber, or dispose of real property.
- 4.3.9 Raise the overall budget of the 1st UMC without approval of the Board.
- 4.3.10 Purchase new items for the parsonage without seeking approval from the Board.

4.4 Financial Planning and Budgeting

The Senior Pastor shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.4.1 Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities."
- 4.4.2 Omit credible projection of revenue and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

4.5 Asset Protection

The Senior Pastor shall not cause or allow 1st UMC assets to be unprotected, inadequately maintained, or unnecessarily risked. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.5.1 Fail to insure against theft and casualty losses to at least 80% of replacement value and against liability losses to board members, staff, and the organization itself in an amount greater than the average for comparable districts.
- 4.5.2 Allow staff to handle funds without having first having passed a criminal and background check.
- 4.5.3 Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 4.5.4 Unnecessarily expose 1st UMC, its board, or its staff to claims of liability.
- 4.5.5 Make any purchase a) wherein normally prudent protection has not been given against conflict of interest; b) of over \$ 1,000 without having obtained comparative prices and quality; c) of over \$ 2,500 without a stringent method of ensuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
- 4.5.6 Fail to protect intellectual property, information, and files from loss or significant damage.
- 4.5.7 Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
- 4.5.8 Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisors.
- 4.5.9 Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AAA rating at any time, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
- 4.5.10 Endanger 1st UMC's public image, its credibility, or its ability to accomplish its ends.

4.6 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 financial integrity or public image. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.6.1 Promise or imply permanent or guaranteed employment.
- 4.6.2 Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed.
- 4.6.3 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.

4.7 Communication and Support to the Board

The Senior Pastor shall not cause or allow the board to be uninformed or unsupported in its work. Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not:

- 4.7.1 Neglect to submit monitoring data required by the board in a timely, accurate, and understandable fashion, directly addressing the provisions of board policies being monitored.
- 4.7.2 Fail to report in a timely manner any actual or anticipated noncompliance with any policy by the board.
- 4.7.3 Neglect to submit unbiased decision information required periodically by the board or let the board be unaware of relevant trends.
- 4.7.4 Let the board be unaware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 4.7.5 Fail to advise the board if, in the Senior Pastor's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the Senior Pastor.
- 4.7.6 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, other.
- 4.7.7 Fail to provide a workable mechanism for official board, officer, committee communications.
- 4.7.8 Fail, when addressing official business, to deal with the board as a whole except when a) fulfilling individual requests for information or b) responding to officers or committees duly charged by the board.
- 4.7.9 Fail to supply for the board's consent agenda, along with applicable monitoring information, all decisions delegated to the Senior Pastor yet required by law, BOD, the Resident Bishop, the District Superintendent, and The Standing Rules to be board-approved.