

# RESPONSIBILITIES OF CHURCH BOARD MEMBERS

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## OVERVIEW

### **1. The Pastor and the Board (Executive Leadership)**

The structure and responsibilities of a church board depend on the bylaws of the church, the laws of the state where the church is located, and the culture and doctrine of the denomination or church. The church board is typically responsible for hiring the senior pastor, supporting the pastor's spiritual oversight of the church, appointing officers (secretary and treasurer), determining compensation of employees, and overseeing the legal and fiduciary aspects of the church as a nonprofit entity.

### **2. The Chairman (President of the Corporation)**

The presiding officer of the corporation is otherwise known as the president or chairperson of the board. This should be the pastor, as is often required by the church's articles of incorporation. The chairman's duty is to chair (oversee) board meetings and membership meetings, act as signatory on legal documents and ensure the church is fulfilling its legal and fiduciary responsibilities.

### **3. The Secretary**

The secretary of the board is to maintain the minutes and any other notes and records so that the board has a sense of historical continuity.

### **4. The Treasurer**

The board treasurer is responsible for making financial reports to the board. Some churches employ a bookkeeper, who may or may not be the same person as the board treasurer. The treasurer often acts as the corporate comptroller or budget enforcer and is responsible for the integrity of the church's financial activity.

### **5. The Board Member (Trustee, Director, Council Member)**

An officer of the corporation who has been elected by the congregation as empowered by the state's articles of incorporation and church bylaws to hold in trust the fiduciary responsibilities of the church. In the church, the board member is also a position of spiritual authority, often synonymous to the biblical positions of elder and/or deacon.

## GENERAL DUTIES OF THE BOARD OF DIRECTORS

### **1. Spiritual Oversight.**

The pastor is charged with the spiritual oversight of the church. The board has a responsibility to assist and support the pastor in his pursuit and administration of God's will in the church. Empowered by the board's counsel, collaborative insight and personal example, the pastor (and pastoral team) will promote a culture of spiritual health and biblical fidelity to carry out the will of God for the church.

### **2. Establishing policy**

One of the primary functions of the church board is the approval, revision, and implementation of church administrative and legislative policies. These policies should be recorded in the board minutes and added to the existing policy guide of the church.

### **3. Take minutes**

The "minutes" are the written record of the board's deliberations and decisions while in session. According to the Evangelical Council for Financial Accountability (ECFA), minutes should contain the following components: a list board members present as well as those absent, the meeting's location, start time, and ending time, a record of actions taken by the board with enough discussion to substantiate the actions taken, the abstention of interested parties when necessary.

#### **4. Financial reporting**

The board of each church should ensure the accounting practices of the church are based upon generally accepted accounting procedures. Due diligence should be demonstrated to ensure transparency and proper reporting are upheld. This should include preparation of regular financial statements and authorizing an independent review (or audit) of books.

#### **5. Compensation review**

The church board establishes the compensation package for employees. Salary review and treatment should be addressed prior to the beginning at each fiscal year. Attention should be given to performance evaluations, updated compensation agreements, housing allowance allocations, and cost of living adjustments.

#### **6. Budget approval**

Each department or ministry head should submit to the board or finance committee for review and consideration of provision in budget. From these various department budgets, a general organizational budget is developed and submitted to the board for their approval. After approval, the budget is usually presented to the congregation.

#### **7. Ensure adequate resources**

As a primary responsibility, the Board of Directors should be familiar with possible levels and sources of income within the congregation and church organization and should institute plans for effective fundraising. This will include initiatives ranging from biblical training, stewardship programs and capital fund campaigns.

#### **8. Ensure legal and ethical integrity and maintain accountability**

The Board of Directors has a fiduciary responsibility to ensure that the church is in adherence with all legal standards and ethical norms. This includes compliance with various federal, state and local laws and regulations. It also includes adherence to the church's own governing documents such as Assemblies of God General Council and District bylaws, local church bylaws and policies adopted by the Board. Obtaining the proper levels and kinds of insurance and developing appropriate policies and preventive measures are also primary responsibilities of the Board of Directors.

#### **9. Support the Pastor and provide constructive feedback**

Although the board does not have the legal responsibility of performance review for the pastor, it should provide the pastor with frequent and constructive feedback. Sometimes, a pastor may choose to establish a performance evaluation or feedback process which involves the board.

#### **10. Advise and consent with the Pastor on personnel appointments**

The board of directors is responsible for the approval of the pastor's appointments of compensated and uncompensated church staff and the pastor's determination of compensation, vacation periods, and titles of office of the church staff.

#### **11. Understand and support the church's mission and purposes**

With the pastor and other church leadership, the board of directors should participate in the development of statements of purpose, vision and/or mission consistent with the purposes, vision and mission of the church. Such statements give clarity to the church's specific identity, its goals, the people it intends to serve, and the difference it hopes to make. These statements succinctly articulate what the church is, represents and does.

#### **12. Participate with the pastor and other church leadership in strategic planning**

Every church would benefit from a process of strategic planning at least every three to five years. Strategic planning involves a review of the core values and purpose, vision and/or mission statements of the church. Additionally it includes an organizational analysis and consideration of external forces and trends that might impact the church's success. It then selects strategic priorities to which focus will be given over the next

several years. Annual work plans then are based upon the strategic plan. Such planning supports the development of and justification for the annual budget.

### **13. The authority of the board of directors exists only as a board at a legal meeting.**

The fiduciary authority to manage the organization is vested upon the directors only when called to order, at an official meeting, a quorum being present. No individual director carries legal authority by himself. In other words, he does not have the right to make decisions, give commands, or initiate actions on his own initiative; his authority exists only as he is a part of the board. Nor does any minority or majority of board members carry authority at an informal, private meeting. Unless a formal meeting is called and all members have been informed of the meeting as stipulated in the bylaws, their action is not binding upon the corporation. The reason for this is obvious. "The law believes that the greatest wisdom results from conference and exchange of individual views, and it is for this reason that the law requires the united wisdom of a majority of the members of the board in determining the business of the corporation."

## **SPECIFIC RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS**

### **1. Attend meetings regularly.**

Attendance at meetings is a must. If you cannot attend meetings, you cannot be entrusted as a fiduciary. A director must be informed and aware and the only way to be aware is to attend meetings where discussion, interaction and even when disagreement occurs. You need to be there to vote and provide input. Failure to attend does not remove liability, it demonstrates dereliction of duty.

### **2. Know the church's mission, purposes, goals, policies, programs, strengths and needs**

Be thoroughly knowledgeable with church bylaws and the guiding documents of your church, such as statements of core values, vision, purpose and/or mission.

### **3. Represent and serve the church as a whole rather than any special interest group or constituency.**

As a member of the board speak only for yourself, not for any other individual or group. Avoid the "people are saying" trap which tend to be manipulative. State sources of contention. Own your position and present only your own position on each decision or vote. Remember that your authority is a trust. People have entrusted you to care for the entire church, not specific individuals or select groups.

### **4. Work toward consensus as often as possible; this requires persuasion and compromise**

The Board of Directors should be able to reach consensus on most issues. An individual who usually sees things only in "either/or" terms tends to find difficulty in the compromise necessary to reach consensus, and frequently is not effective as a member of the board. There will be times when your convictions lead you to disagree with other members of the board; but most of the time, strive for consensus and support the result.

### **5. Avoid prejudiced judgments on the basis of information received from individuals, and urge those with grievances to follow established policies and procedures**

It is not uncommon for board members or a board of directors to be drawn into grievances by or about church staff members. The pastor serves as personnel director, however, and it is not the role of the board of directors to adjudicate such matters. Board members can serve a constructive role by facilitating contact with the pastor when individuals raise such concerns (Matthew 18). Board members can also support the pastor when she or he seeks their counsel on personnel issues.

### **6. Do not surprise other board members or the pastor by raising difficult or conflictive issues without prior consultation**

No one likes unpleasant or embarrassing surprises. Board members with complaints or sensitive information concerning the staff, the pastor or other board members should consult with the individual(s) involved prior

to raising the matter with the board of directors. If the issue is a personnel matter, it should be resolved with the pastor as personnel director, if possible. “Gotcha” confrontations are unfair and unprofessional.

**7. Prepare for and participate in board meetings, asking timely and substantive questions consistent with your conscience, convictions and need for information to make decisions**

Become thoroughly familiar with all documents that are prepared for each board meeting; keep a personal file of documents of previous meetings, especially minutes, reports and financial statements. Hold yourself, other board members and the pastor accountable for promises made, for obligations of office, and for good board process.

**8. Carefully review the church’s financial statements and ask questions or seek clarification as appropriate to fulfill the board’s fiduciary obligation**

It is helpful for each board member to gain familiarity with generally accepted accounting practices. At minimum, board members should understand the format and content of the financial statements. Also, each board member should be aware of basic required reporting of federal tax information.

**9. Maintain confidentiality of the board’s executive sessions**

Executive sessions, or “closed” board meetings, should be infrequent and limited to sensitive personnel issues or legal matters. All other board meetings should be open to members of the congregation. The information in executive sessions should be maintained by each board member as confidential (even spouses should be excluded). Action taken by the board in executive session should be recorded in minutes, or preferably such action should be deferred until the board is in an open session.

**10. Avoid even the appearance of a conflict of interest**

A conflict of interest is anything that caters to the personal financial benefit of a board member, his or her family, or household. Do not accept gifts from or offer gifts to anyone who does business with the church. If you are a board member and have any relationship with the church for which you or someone close to you receives financial benefit (with the exception for reimbursement for actual expenses in connection with your church duties) that is a conflict of interest. In such cases, board members should recuse themselves (disclose/announce the conflict of interest and exempt themselves from debate and vote) from any decision on that matter.

**11. Support the pastor with timely information or feedback on matters and issues of importance to the well-being of the church**

Counsel with the pastor to offer support in the event of his or her difficult relationships with groups or individuals. Building trust requires continuous healthy communication. Frequent contact between the pastor and each board member can provide the feedback necessary to enhance the pastor’s effectiveness and facilitate actions needed for the church’s success. On occasion such contact can provide an opportunity for the Pastor to receive counsel in dealing with sensitive or difficult issues.

**12. Provide healthy, constructive and supportive accountability**

Accountability is not some legalistic tribunal where victims are humiliated and devalued. It is not meant to provide a forum where authorities are “put-in-their-place” by power-hunger, small-minded, authority-grabbing bullies who have think they have some perverted right to lord themselves over their leaders. Such individuals undermine the integrity of the organization because they give accountability a bad name. They are “problem people.” Leaders welcome accountability when administered by trusted individuals whom they know have the best interests of both the leader and the organization in mind. But they will be reluctant to freely participate in a system that caters to a mob of co-dependent bullies seeking a chance to flex their fragile egos.