

# Metropolitan Community Church of Toronto

## The Role of the Board of Directors as a Policy Board

Approved by the Board of Directors 17 April 2012

The roles and responsibilities of a Board of Directors in a Metropolitan Community Church are both similar and different in contrast to other business and nonprofit organizations as well as congregations affiliated with other denominations. The key similarities are mostly legal; churches are usually incorporated under provincial or state nonprofit corporation laws. Also, churches, like other charities, hold tax exempt status under national tax laws. The key differences in churches are shaped strongly by organizational culture. Congregational size, history, denominational affiliation, and form of church government often shape the differences.

What makes us unique?

- We are church with a congregational form of government. We are accountable to the members who elect us.
- As congregants we are in covenant and community with each other. We have more, stronger, and closer social networks than most other nonprofit organizations.
- We have specific organizational mandates based upon the bylaws of our denomination, the UFMCC. For example, The Senior Pastor has sole authority for the content and order of all worship services.
- The Senior Pastor (CEO) is hired by the congregation through election and is vested with specific duties and authority – such as teacher, preacher, and spiritual leader – for which he/she is accountable directly to the congregation. This differs from most secular non-profit organizations where the Board of Directors hires the Chief Executive Officer who is accountable solely to the Board.
- We have distinctive characteristics based on the large size of our congregation and the size to which our vision aspires.

What type of Board should we be?

- In smaller churches boards typically have a “hands-on” role in the implementation of board policies. As a church becomes larger it becomes increasingly necessary to delegate the implementation of policies to the staff. Therefore, we should be a policy board.
- As a large congregation our Board continues to evolve in placing its primary focus on:
  - Identification of needed policy related to the business operations of the church.
  - The approval of policy
  - Ensuring that appropriate controls are in place for the fulfillment of policy.

What are the roles of the Board, Senior Pastor and staff in the development, management and oversight of policy?

- In a large church, Board members rely increasingly on the expertise, competence and diligence of professional staff to draft new policies. Policy development, whether about budget, personnel or ministry direction, is the result of effective collaboration between the Board and staff. The Board of Directors then gives formal approval of the policy.
- Staff members have a duty of sound management, meeting goals and targets, and timely reporting of information on the implementation of Board-approved plans to the Board through the Executive Pastor.

- The Senior Pastor, while not reporting to the Board, is ultimately accountable to the Board of Directors for the implementation of Board policies that have been delegated to the staff. Staff members are ultimately accountable to the Senior Pastor.
- More than anything, it is imperative that the members of the Board, the Senior Pastor and senior staff members build good relationships and a working partnership. This is one of the greatest gifts they can give the congregation.

What do we define as policy?

- A policy is an authoritative written statement designed to give clear direction to many individual decisions over time. (adapted from Dan Hotchkiss in *Governance and Ministry: Rethinking Board Leadership*, published by the Alban Institute, 2009)

On what areas of policy should we focus?

- Vision development and refinement: This includes what a congregation does to discover and articulate its mission as well as the role of the Board in long-term vision and goals of the church. This is often done in a process that engages the staff and congregation as well as Board members. It results in approving guiding documents that may include:
  - Bedrock Beliefs
  - Core Values
  - Statement of Mission
  - Statement of Vision
  - Major tangible goals toward the vision
  - Open Questions; Unanswered questions about our mission and vision
- Strategy: This involves long-range planning usually accomplished through the development of a strategic plan in partnership with staff.
  - Ensure that an effective strategic planning process is in place.
  - Approve a strategic plan with identification of strategic initiatives and goals that will move the congregation successfully toward the realization of its vision.
  - Conduct a periodic review of the strategic plan and progress toward its success.
  - Approve an annual operating budget to fund the plans for the realization of the mission and vision
- Management: Policies on management serve to delegate parts of the board's authority and power to others.
  - Approve policies to ensure proper financial controls, secure management of assets including facilities, and accurate financial accounting.
  - Approve policies to ensure sound management of all personnel, both compensated and volunteer.
  - Approve policies to ensure effective risk management.
- Oversight: Ensures that standards and processes are in place for monitoring and evaluating implementation of all policies that have been approved by the Board.
  - Establish board committees for oversight purposes as needed and receive timely reports.
  - Approve the annual independent audit of financial statements to be submitted to the congregation.
  - Receive periodic staff reports on progress of the annual program of work and strategic initiatives.

- Conduct a mutually agreed upon process with the Senior Pastor to provide feedback and assessment of leadership and ministry results.
- Conduct a periodic review to ensure that all legal/fiduciary responsibilities of the Board are being fulfilled.