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Glossary

Board — The Board of Directors of the Minnesota South District of The Lutheran Church—Missouri Synod

Executive Staff — District President, Assistants to the District President, Treasurer, LCEF Vice President

District — The Minnesota South District of The Lutheran Church—Missouri Synod

LCEF — Lutheran Church Extension Fund

LCMS — Lutheran Church—Missouri Synod

MNS District — Minnesota South District

Professional Staff — Director of Communications and Mission Support, Gift Planning Counselor, and Public Policy Advocate

Support Staff — Administrative Assistants, Bookkeeper or ?

Synod — The Lutheran Church—Missouri Synod
SECTION I – BOARD SELF GOVERNANCE

1.01  Policy Formation and Review

1.01.01  Formation of Board Policies

All policies to be considered by the Board of Directors for inclusion in the Board Policy Manual:

A)  Are to be presented to the Board in writing

B)  Are to receive preliminary discussion by the Board to determine if the policy is one that the Board considers beneficial for Board or District operations.

C)  Are to be referred to the Board Policy Committee which will seek input from affected individuals/committees and consult the Synodical and District Handbooks to determine that no conflicts will be created if the policy is adopted by the Board. Changes must be submitted to and approved by the Synod’s Commission on Constitutional Matters. The Board Policy Committee shall be appointed by the District President and ratified by the Board of Directors.

D)  Are to be presented for adoption by the Board in a format that is consistent with the Board Policy Manual

   Revised 9/9/14

1.01.02  Review of Board Policies

A)  The Board of Directors will review the entire Board Policy Manual once each triennium.

B)  The Board Policy Committee will initiate and lead the review and make recommendations to the Board for additions, deletions, or changes.

   Policy Adopted 2/16/2004

1.02  Board of Directors’ Responsibilities

1.02.01  The Board of Directors is the legal representative of the District. It is vested with the general management and supervision of the District’s business and legal affairs, and it shall adopt policies and require procedures which assure that said management and supervision is effected. (Synod Bylaw 4.5; District Bylaw 4.5)

1.02.02  The Board of Directors is the custodian of all the property of the District. (MNS Handbook 4.5.11)

1.02.03  The Board of Directors is to carry out its responsibilities in keeping with the purposes of Synod and the District and in accordance with the Constitution and Bylaws of Synod, the Bylaws of the District, and resolutions of Synod and/or District conventions. (Synod Bylaw 4.5)

   Policy Adopted 9/14/2004
1.03 Responsibility of Individual Board Members

Members of the Board have a responsibility to:

A) Regularly attend Board meetings and, when unable to attend, to notify the Board chairman;

B) Participate in Board meetings, planning retreats, special briefings, and policy decision-making;

C) Prepare in advance, familiarize themselves with the issues, and require complete and accurate information in order to act with due diligence. Through the District President, 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;

D) Actively bring to the Board issues for discussion and action which may be of concern, interest or importance;

E) Follow decisions once they have been discussed and resolved by the Board;

F) Serve on standing committees, sub-committees, and ad hoc committees of the Board;

G) Exercise diligence to ensure that all actions of the Board comply with the Synod Handbook and District Handbook;

H) Bring to the attention of the Board actions and conditions that run counter to these policies;

I) Disclose conflicts of interest in accord with synodical Bylaws;  

Policy Adopted 9/14/2004

1.04 Board Committees (not standing committees)

The following committees shall be appointed by the District President and ratified by the Board of Directors after each District Convention for a three-year term and would meet only as necessary.

1.04.01 Personnel Committee

The Personnel Committee shall:

A) Establish personnel policies (vacation, sick leave, outside employment, severance pay, observance of anniversaries and retirements, etc.)

B) Establish salary ranges for all District employees (high, mid-point, low)

C) Develop performance review forms

D) Develop other criteria for setting salaries
E) Recommend salaries of executive staff

F) Make regular reports to the BOD.

1.04.02 Policy Committee

The Policy Committee shall:

A) Maintain a detailed record of all policies adopted by the Board.

B) Provide each Board member with a loose-leaf Policy Manual.

C) Provide each Board member with copies of any changes, additions or deletions to the Policy Manual.

1.04.03 Other non-standing committees may be appointed by the District President and ratified by the Board of Directors. Their term of office shall be up to three years, corresponding to the term of the Board of Directors. Such committees may include a Ministerial Health Committee; a Continuing Education Committee; a Pre-Seminary/Colloquy Committee; an Endowment Committee; a Board Policy Handbook Committee; a District Handbook Committee; or others. [added 5-2018]

1.05 Meetings

1.05.01 Frequency of Meetings

A) The meetings of the Board of Directors shall be held at least four times each year, and whenever the District President or three members of the Board deem it necessary. Meetings shall normally be held in the months of February, May, September and December (MNS District Handbook 4.5.9). See also the requirements in the LCMS Bylaw 1.5.3.

B) Every attempt shall be made that Committee and/or Board meetings not be held during Holy Week.

C) Unless otherwise specified in the Bylaws, the Board of Directors and its committees are free to select a manner of meeting. Meetings and votes may be conducted in face-to-face sessions, telephone conference calls, e-mail consultations, or other appropriate settings.

D) The Board and Committees may take action between face-to-face meetings by means of mail ballots, e-mail ballots, or voice vote in telephone or video conference calls. The Secretary of the District shall record the votes for Board of Directors decisions. Actions approved by a majority of the members of the Board of Directors by such votes shall become effective immediately unless otherwise directed in the resolution. The
Secretary will report the results of such ballots and will record the actions in the official minutes of the Board of Directors.

1.05.02 Meeting Agenda

A) The District President shall prepare the agenda for each meeting of the Board of Directors.

B) The printed agenda, shall include committee meeting minutes, and be mailed to the members of the Board no later than one week prior to the meeting of the Board (District Bylaw 4.5.12).

C) The format for the agenda shall be:

1. Opening Devotion
2. Parliamentary Obligations
3. Visioning/Study Items
4. Policy Review/Formation
5. Decision Items
6. Reports
7. Round table
8. Adjournment
9. Closing prayer

D) The secretary shall be furnished with a copy of the President’s report/information items at the beginning of the meeting.

1.05.03 Minutes

Within three days following a Board meeting the secretary shall deliver the minutes to the District President for proofreading. The minutes shall be returned to the Secretary in a timely manner. The Secretary shall return the final copy of the minutes to the District President within three days for distribution to the Board members. Board minutes will be posted to the District website within 30 days of each board meeting.


1.06 Budget Preparation Process

1.06.01 Budget Preparation

The following schedule shall be used for the preparation of the annual budget:

A) Prior to the September Board meeting each committee shall prepare and deliver to the Treasurer its budget for the coming year. The Personnel Committee, appointed by the District President and ratified by the Board of Directors, shall prepare and deliver to the Treasurer its preliminary recommendations for salary adjustments. The Treasurer shall assemble the preliminary budget and deliver it to the Finance Committee for review and recommendation to the Board.
B) At the September Board meeting the Board of Directors shall review the preliminary budget and make its recommendation.

C) At its November meeting, the Finance Committee shall review the projected income, the preliminary budget requests, and prepare its final budget recommendations for presentation to the December Board meeting.

D) At the December Board meeting, the proposed budget shall be reviewed and a final budget adopted.

1.06.02 Additional Budget Policies

A) If the Finance Committee finds it necessary to reduce a standing committee’s budget request, the Finance Committee’s recommendations will be referred back to that standing committee for review, adjustment, and re-submission.

B) When a standing committee’s budget request exceeds the recommendation of the Finance Committee, the standing committee will have the opportunity to defend its original request to the Board of Directors.

C) If the Board of Directors still finds it necessary to reduce a standing committee’s budget request it will normally do so in terms of the total dollar amount, leaving the standing committee to decide which parts of its planned program it deems necessary to delete or adjust.

D) The Board retains the right not to support a specific line item established by a specific committee.


1.07 Conflict of Interest Policy

The District is fully committed to conducting its responsibilities in a manner reflecting the highest degree of integrity and honesty. The success of the District in conducting its affairs is the sum efforts of each individual - board and committee member, officer and employee - in executing his or her responsibilities with good judgment and in an ethical manner. Therefore, in exercising these responsibilities, each individual should comply with the following policy which is modeled after Synod Bylaws 1.5.2, 1.5.2.1, and 1.5.2.2 (Disclosure of Conflict of Interest) (cf. MNS District Personnel Manual D6, D7):

A) Each board or committee member shall disclose to the chairman of the board or committee and each staff person shall disclose to the President any potential conflicts of interest. Each chairman or the President shall disclose personal potential conflicts of interest to the Board of Directors. The Board of Directors shall determine if a conflict of interest exists. Such disclosures shall include board membership on, a substantial interest in, or employment of the individual or a relative by any organization doing business with the District.

B) Board/Committee members and employees shall not work for any supplier of the district, and shall refrain from using the employee’s position or knowledge gained...
through the position for personal gain of the employee or the employee’s relatives or friends. An automatic exception is granted to the employee invited to a meal for the purpose of discussing District business that cannot be conveniently scheduled during office hours. (cf. D4, D6, D7, MNS District Personnel Manual)

C) Activities shall not be entered into which may be detrimental to the interests of the District. Any board/committee member or employee who is in a position to make or influence a business transaction between the District and a third party should not accept gifts or anything of substantial value or personal benefit from that party.

D) Information acquired in the course of carrying out District duties shall not knowingly be used in any way which would be detrimental to the welfare of the District.

E) No board or committee member, and/or staff or executive officer of the District shall vote on any transaction in which the individual shall receive a direct or indirect financial gain.

F) Any inappropriate activity shall cease or the position will be vacated.

G) Each individual, prior to taking office as an elected or appointed office or staff position, shall sign a statement that he has received, understands, and agrees to abide by Synodical Bylaw 1.5.1 - 1.5.2 and this conflict of interest policy. Each shall also sign annually a Statement of Compliance with the bylaw and policy.

H) Responsibilities shall be conducted in a manner reflecting the highest degree of integrity and honesty consistent with the Scriptures, the Lutheran Confessions, the Synodical Handbook, The District Handbook, Board policies, and civil laws.

SECTION II – OFFICERS AND EXECUTIVE STAFF

2.01 Line and Staff Definitions

2.01.01 The District President is directly responsible to the District and accountable to the Board of Directors between conventions. The District President is not responsible to the Board of Directors for his ecclesiastical supervisory responsibilities.

2.01.02 The District Secretary is directly responsible to the District and accountable to the Board of Directors and the District President.

2.01.03 The District Treasurer is directly responsible to the District and accountable to the Board of Directors and the District President.

2.01.04 The Assistants to the President are directly responsible to the District President.
2.01.05 The LCEF Vice President shall be directly responsible to the LCEF and accountable to the District President.

Adopted 2/6/1979, Revised 5/7/2013, 9/10/13

2.02 Appointment, Duties and Termination of Executive Staff

2.02.01 Executive staff shall include Assistants to the President, Treasurer, and the LCEF Vice President. Assistants to the President shall be accountable to the District President; the Treasurer accountable to the Board of Directors (cf. Handbook Article 3 section 3 c.; 4.11.2.) and the District President; and the LCEF Vice President shall be directly responsible to the LCEF and accountable to the District President.

2.02.02 The President shall appoint Assistants to the President (the number of which shall be determined by District Convention), write job descriptions for the assistants as the need indicates- ALL SUBJECT TO RATIFICATION BY THE BOARD OF DIRECTORS. Rostered workers shall be called by the Board of Directors, on behalf of the District, in accordance with the standards of the LCMS. The term of office shall continue until the office or term of office is terminated by the District President which shall be subject to ratification by the Board of Directors. Termination of rostered workers must be in accordance with LCMS guidelines regarding Call (cf. 4.11.3.1; 4.11.3.2; MNS District Personnel Manual A.3).

2.02.03 Upon retirement from office, the District shall give to the outgoing Executive staff member a retirement gift of one week's pay for each year served as Executive Staff; to a maximum of eight (8) weeks (cf. MNS District Personnel Manual D.12).

2.02.04 In the event that Executive Calls/contracts are not renewed, they shall continue to receive full salary plus allowable benefits for a period not to exceed six (6) months. If he (she) is employed or accepts a call for full time service or secures income under the Synod's Worker Benefit Plans before the end of the entire six (6) month period, his/her salary and allowable benefits shall cease by the first of the month following his (her) assumption of such status. Payment shall also be made for any unused vacation. (cf. Personnel Manual A-3; D.12)


2.03 Automobile Policy for Executive Staff

2.03.01 The District will continue to own automobiles for designated staff members. The Treasurer is expected to use his/her own vehicle for District work.

2.03.02 When the District automobile is used for commuting, the individual will reimburse the District at the rate stipulated for volunteer miles as an expense by the IRS. When the District automobile is used for personal use, the individual will reimburse the District at the rate stipulated for business miles as an expense by the IRS.

2.03.03 When an executive staff member uses his/her personal vehicle for District work, he/she shall be reimbursed at the current IRS rate for business miles. As an incentive for an executive staff member to purchase his/her own vehicle, he/she shall receive an additional $2,000 per year in salary.
2.04 Compensation of the District President upon Leaving Office

2.04.01 Following the election of the District President, the Board of Directors, on behalf of the Minnesota South District shall issue a Call to the District President. If the District President stands for election and is not re-elected, he shall continue to receive full salary plus allowable benefits for a period not to exceed six (6) months. If he is employed or accepts a call for full time service or secures income under the Synod’s Worker Benefit Plans before the end of the entire six (6) month period, his salary and allowable benefits shall cease by the first of the month following his assumption of such status. Payment shall also be made for any unused vacation time.

2.04.02 If the District President resigns while in office or retires from office, full salary shall be paid to include the effective date of resignation or retirement. Payment shall also be made for any unused vacation time.

2.04.03 Upon retirement from office, the District shall give the outgoing District President a retirement gift of one week’s pay for each year served as District President to a maximum of 12 weeks.

2.04.04 If the District President dies while in office, full salary shall be paid to his surviving spouse to include the day of death plus full salary for sixty (60) additional days, plus any unused vacation time.

2.04.05 Any exceptions to these provisions shall be determined by the Board of Directors of the Minnesota South District of The Lutheran Church—Missouri Synod.


2.05 Indemnification Policy

The Minnesota South District of The Lutheran Church—Missouri Synod will provide indemnification to its directors, officers and employees as required by the Minnesota Nonprofit Corporation Act, as from time to time amended.

Adopted 2/7/1996, Revised 2/15/2005

SECTION III – COMMITTEES

Part A. – General Committee Policies

3.01 Appointments of Personnel

3.01.01 Assistants to the President shall be appointed by the President, subject to ratification by the Board of Directors (District Bylaw 4.11.3.1). Rostered workers shall be called by the Board of Directors, on behalf of the District, in accordance with the standards of the LCMS. The service of Assistants to the President may be terminated by the President, subject to
ratification by the Board of Directors and for rostered workers according to call guidelines of the LCMS. In case of termination, policies concerning termination of personnel will apply.

3.01.02 Standing Committees of the Board of Directors (Missions, Finance, Schools/Commissioned Ministers, Constitutions and Membership, and Congregational Mission Formation) shall be appointed by the President, subject to ratification by the Board of Directors (District Bylaw 4.5.7 b). The term of office for standing committees shall be three years, corresponding to the term of office for the Board of Directors.

Revised 2/22/2018

3.01.03 An Executive Committee shall be appointed by the President and ratified by the Board of Directors for a term of three years corresponding to the terms of the Board of Directors (District Bylaw 4.5.7 d).

3.01.04 An Archivist shall be appointed by the Board of Directors upon recommendation of the President (District Bylaw 4.5.18.8.1).


3.02 Committee Operations, Agenda and Minutes

3.02.01 Committee members are to be the workers in implementing their programs and in the case where more workers are needed they will be enlisted. It is preferred that these be people other than District-paid staff.

3.02.02 Committees are authorized to make decisions that are within the policies established by the Board of Directors and within the program and budget approved by the Board for that committee. Specifically, with respect to funds, the committees are authorized to commit programs and expend funds that are within the approved budget.

3.02.03 The chairman of the committee, in consultation with the staff person assigned to the committee, shall prepare an agenda for each committee meeting.

3.02.04 The secretary of the committee, through the District office, shall send the minutes of each committee meeting to the committee members and to other persons as deemed appropriate.

3.02.05 The secretary of the committee shall submit to the District President, at least fifteen days prior to the meeting of the Board of Directors, the minutes of the committee meeting. Items for consideration by the Board of Directors shall be listed first in the minutes.

Part B. – Mission Committee

3.11 General Mission Policy

The Minnesota South District – LCMS will be a unified network of people and congregations actively engaged in the mission of Jesus Christ. Here Christian people will view themselves as missionaries aggressively seeking opportunities to speak of Jesus with friends and neighbors. Here congregations will view themselves as mission outposts, where the Word is proclaimed and the Sacraments administered faithfully, so that all people might be reached with the saving Gospel and become disciples of Jesus Christ.

Adopted 9/13/2005

3.12 Mission Agreement

Congregations requesting mission support (in the form of grants or subsidy) shall, in conjunction with the Mission Committee, develop a Mission Agreement as a condition of receiving such support. This Agreement shall be developed according to policy documents of the Mission Committee.

Adopted 9/13/2005

3.13 Calling of Mission Pastors

3.13.01 The calling of missionaries-at-large is no longer normative practice in the MNS District. If a missionary-at-large is to be called, the Missions Committee, utilizing appropriate assessment processes shall submit to the Board of Directors one (1) or more names for consideration.


3.14 Advance Site Purchase and Disposal

3.14.01 The purchase of advance sites is not the normative practice of the MNS District. In the event of an advance site recommendation and Board of Directors approval, the Mission Committee is charged with the responsibility of recommending the purchase of property for advance mission sites. It shall:

A) Research and identify possible advance sites;

B) Work with the Finance Committee to determine the feasibility of the purchase and how best to fund it;

C) Secure, if necessary, pre-approval of any loans through the Lutheran Church Extension Fund;

D) Present its recommendations to the Board for its consideration and action.

3.14.02 The Mission Committee shall include in its budget a line item to cover the cost of the site or amortization costs.
3.14.03 The Mission Committee shall evaluate each advance site from time to time and, when appropriate, recommend to the Board of Directors the sale of such property.


3.15 Liability Insurance Coverage

All incorporated entities receiving funds from the Minnesota South District in the form of subsidies or grants are required to maintain a liability insurance policy at the level currently maintained by the District to protect its property and staff. Proof of such insurance coverage is to be provided to the Mission Committee on an annual basis.

Adopted 1.22.2001

3.16 Permission to Solicit Funds for New Mission Starts

Permission is given to the Mission Committee and those under its auspices to solicit funds from churches which surround the new mission start.


Part C. – Finance Committee

3.21 Loan Approval Policy

3.21.01 The Board of Directors authorizes the Finance Committee to make all loan approval decisions, inclusive of all dollar amounts, in partnership with the Minnesota South District LCEF (Lutheran Church Extension Fund) program.

3.21.02 All loan decisions made by the Finance Committee shall be reported to the District Board of Directors.

3.21.03 The Finance Committee may establish a Loan Committee to act on loan applications up to (and including) $1,000,000. The Loan Committee, as or when established, shall include the LCEF Vice President (non-voting), the District Treasurer, the Chair or Vice-Chair of the Finance Committee, and any such additional members as may be determined by the Finance Committee. It is noted that the LCEF Vice President is authorized to approve loans up to and including $100,000. Actions taken by the Loan Committee are reported to the Finance Committee, which in turn are reported to the District Board of Directors. The entire Finance Committee acts upon loans greater than $1,000,000.

3.21.04 The Finance Committee operates under the loan guidelines established by the LCEF. If a loan exceeds any of the established guidelines, the Finance Committee and LCEF Vice President, in consultation with the LCEF national office, will determine whether the loan is an acceptable risk based upon financial and ministry growth information and projections.

3.21.05 Additional Considerations

A) Special Meetings - additional meetings of the Finance Committee may be called by the LCEF Vice President and/or Chair of the Finance Committee as dictated by unusual or
extraordinary circumstances. All actions taken at special meetings shall be reported to the District Board of Directors.

B) District and Synod Support - as financial support for District and Synod ministries is vital to its ongoing ministries, all loan applicants are encouraged to tithe to the mission and ministries of the District and Synod.

C) Capital Drives - as building project costs continue to escalate, all loan applicants in excess of $1,000,000 are encouraged to engage a professional capital drive firm to maximize their present and future stewardship potential.

D) Project Overages - as building projects may experience cost overages, the Finance Committee may approve up to a 10% increase in a loan that has been previously approved.  

Adopted 2/16/2004, Revised 5/7/2013

3.22 District Guaranteed Loans

Under special circumstances, the District Board of Directors may choose to guarantee a loan. These loans would go through regular Finance Committee parameters and meetings, but the District Board of Directors would make final approval.

Adopted 2/16/2004

3.23 Authority of the Treasurer to Advance Funds

The District Treasurer is authorized to advance funds for unsecured loans (maximum of $50,000.00) in cases of emergency.

Adopted 8/8/1986, Revised 9/16/1997

3.24 Capitalization of Expenditures

3.24.01 All purchases of individual pieces of equipment in excess of $2,500 with an estimated useful life of more than one year are to be capitalized and recorded in the respective fixed asset account.

3.24.02 All purchases of equipment (i.e., desks, chairs, calculators, etc.) that individually cost less than $2,500, but in aggregate cost in excess of $2,500 are to be capitalized and recorded in the respective fixed asset account.

3.24.03 All purchases of equipment less than $2,500 are to be expensed and charged to the appropriate account.  

Adopted 12/7/2010

3.25 Depreciation

3.25.01 A straight line depreciation shall take effect the month the expenditure occurs.

3.25.02 A useful life of fixed assets shall be established such as the following:
### Asset Useless Life

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful Life</th>
</tr>
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<tbody>
<tr>
<td>Office Buildings</td>
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<tr>
<td>Improvements</td>
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<tr>
<td>Office Equipment</td>
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<tr>
<td>Office Furniture</td>
<td>5-10</td>
</tr>
<tr>
<td>Office Fixtures</td>
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<tr>
<td>Computer Hardware and Software</td>
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<td>Automobiles</td>
<td>3-5</td>
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</tbody>
</table>

Adopted 12/7/2010

### Part D. – Ministerial Health Committee

#### 3.31 Ministerial Health Discretionary Funds

Discretionary Funds may be used to provide Professional Church Workers and their families the means to provide for some of their immediate expenses due to an extraordinary situation:

A) These funds are typically given to the Professional Worker without consideration of repayment.

B) The District will seek matching funds through LCMS World Relief or any other appropriate agency.

C) The decision to grant funds must have the approval of the District President.

D) Allocation of emergency or crisis funds will typically be made only once per case in each calendar year.

#### 3.32 Recommendation to Congregations Regarding Severance Packages

3.32.01 On occasion professional church workers find it necessary to resign their Call. Such a decision can be reached for a variety of reasons. Whatever the reason, resigning one's Call is a traumatic event. One of the significant challenges it presents to the worker is the need to care for his/her family during the time of transition. Another significant challenge is that it is not appropriate for the professional church worker to generate a new ministry position for himself/herself as one would be expected to do in the secular world. On the contrary, the professional church worker is expected to wait until the Holy Spirit calls him/her to a new ministry position. Unlike those in the corporate world, the professional church worker also normally does not accumulate compensatory time, sick leave, or vacation time which can sustain his/her family during the time of transition. In view of the above factors, the resignation of one's Call provides the worker's congregation/school with the unique opportunity to display the care of our Savior for those who are in need (Matthew 25: 31-46, Luke 10:25-37).

3.32.02 The Board of Directors recommends that when the professional church worker does not have immediate occupational plans and a source of income that the congregation and/or school seriously consider granting the worker his/her full salary, housing and allowable...
benefits for a period of at least six (6) months, or until he/she accepts a Divine Call and is installed in that position, whichever comes first, as an expression of their thankfulness for the past service of the worker, the respect which they have for the Office of the Holy Ministry, and their desire to show Christian compassion and care for a fellow brother/sister in Christ.


Part E. – Endowment Fund Committee

3.41 Endowment Fund Operating Policies

3.41.01 Name

The Minnesota South District of The Lutheran Church—Missouri Synod (“Minnesota South District”) has established endowment funds (“Fund” or “Funds”), which shall be identified as follows:

THE MINNESOTA SOUTH DISTRICT ENDOWMENT FUND,
THE NEW MISSION CONGREGATION ENDOWMENT FUND,
THE CENTER CITY CHILDREN’S ENDOWMENT FUND,
THE DEAF MINISTRY ENDOWMENT FUND,
THE STUDENT AID ENDOWMENT FUND,
THE ETHNIC MINISTRY ENDOWMENT FUND,
THE MINISTERIAL HEALTH ENDOWMENT FUND,
THE CONTINUING EDUCATION ENDOWMENT FUND (“Funds”), AND
THE CAMPUS MINISTRY ENDOWMENT FUND

These Funds shall not be separate entities, but shall be one of the funds of the Minnesota South District. The provisions of this Section 3.41 are known as the “Operating Policies”.

3.41.02 General Purpose

A) The Minnesota South District’s purpose in creating the Funds shall be to receive gifts and bequests for the mission and ministry of the Minnesota South District.

B) Restricted and Unrestricted Funds

1. Gifts, bequests and contributions from any individual, firm or corporation (including, but not limited to, direct gifts, a devise under a Will, distribution from a trust instrument, and proceeds of insurance, annuity or endowment policies) that are made to the Minnesota South District without special terms, conditions, limitations or directions (“Unrestricted Gifts”) may be applied to any one or more of the Funds upon the Board of Directors approving a resolution to so apply such Unrestricted Gifts. Any Unrestricted Gifts applied to a Fund, from time to time, shall be separately accounted for (in aggregate) as quasi-endowment fund with the same purpose as the Fund and administered as if such assets were part of the Fund (except as provided below in regard to termination). The Board of Directors of the Minnesota South District (Board) may terminate any such quasi-endowment fund at anytime by adopting a resolution to terminate the quasi-endowment fund. For
purposes of this paragraph, a resolution shall be deemed adopted if approved by a majority of the members of the Board present at a duly called meeting of the Board at which a quorum is present.

2. Gifts, bequests and contributions from any individual, firm or corporation, that are made to the Minnesota South District with the direction to apply the same to one or more of the Funds, but otherwise without special terms, conditions, limitations or directions ("Restricted Gifts"), may be received by the Minnesota South District staff for Fund purposes at any time.

3. Gifts, bequests and contributions from any individual, firm or corporation, made with special terms or conditions, may be received by the Minnesota South District for Fund purposes or any other purpose specified by the donor, provided that such special terms are approved by a majority of the members of the Board present at a duly called meeting of the Board at which a quorum is present. All such funds approved by the Board are referred to herein as the “Restricted Funds with Special Terms”.

4. For purposes of these Operating Policies, Unrestricted Gifts, Restricted Gifts, and Restricted Gifts with Special Terms are collectively referred to herein as “Gifts". Further, each of the Restricted Funds with Special Terms shall be deemed part of the Funds even if the special terms approved by the Board include a purpose different from the Funds listed in Section 3.41.01 above.

C) Both the principal and income from Gifts made to the Funds are to be used for such uses, projects and programs that are from time to time approved by the Board of the Minnesota South District upon the recommendation of the Endowment Committee appointed pursuant to Section 3.41.04 below, provided that:

1. The uses, projects, and programs are consistent with the general purpose of these Funds and, in the case of Restricted Gifts with Special Terms, shall be consistent with the special terms required by such Restricted Gifts with Special Terms.

2. The income from the funds will be allocated as follows:

   a. MINNESOTA SOUTH DISTRICT ENDOWMENT FUND - The income from this fund may be used for any purpose or program that is consistent with the mission and ministry of the Minnesota South District which the Board of the Minnesota South District may designate. It may be used to cover budget items, or for programs or projects which are not included in the budget.

   b. NEW MISSION CONGREGATION ENDOWMENT FUND - To cover the costs of starting new congregations. Such costs may include, but not limited to, the purchase of land, assistance in making mortgage payments on loans to provide worship and educational space, to provide pastoral care, and to assist with the other operating costs of a congregation.

   c. CENTER CITY CHILDREN’S ENDOWMENT FUND - To provide tuition aid and other
needs that expressly further the purpose of Christian education in Center City congregations.

d. DEAF MINISTRY ENDOWMENT FUND - To provide pastoral assistance and worship facilities for the deaf people in the Minnesota South District.

e. STUDENT AID ENDOWMENT FUND - To help defray the costs of students from the Minnesota South District who are preparing for careers as professional church workers in one of the schools of the Synod.

f. THE ETHNIC MINISTRY ENDOWMENT FUND - To provide financial assistance for ministry to ethnic groups, such as Asian, Black, Hispanics and others, both in the Metro area as well as out-state. Such assistance is normally in the form of staff and program help in conjunction with another congregation in the area.

g. THE MINISTERIAL HEALTH ENDOWMENT FUND - To underwrite the costs of an employee assistance program for professional church workers and their families especially when they are in need of counseling and/or other kinds of pastoral care, and to assist congregations in creating and maintaining a healthy climate within the congregation.

h. CONTINUING EDUCATION ENDOWMENT FUND - To provide assistance for some of the costs of continuing education for professional church workers in the Minnesota South District. The assistance would be determined by the Minnesota South District Continuing Education Committee.

i. CAMPUS MINISTRY ENDOWMENT FUND – To fund campus ministry in the Minnesota South District.

3) If the principal of any of the above Funds exceeds one million dollars, the income from the amount in excess of one million dollars shall be added to the principal of the Fund or may be expended for Fund purposes at the discretion of the Board. Any expenditure of principal shall be in compliance with applicable law. For purposes of this paragraph, any assets held in a quasi-endowment fund shall not be considered in determining if the one million dollar threshold has been met.

4) The distribution of the income and/or principal from a Fund consistent with the Fund’s general purpose and, in case of any Restricted Gift with Special Terms, consistent with the special terms of such Restricted Gift with Special Terms, shall be approved by the Board. Further, the investment of the Funds shall be approved by the Board upon recommendation of the Endowment Committee.

3.41.03 Duration

A) The Funds shall continue in existence and be used as herein above provided, unless earlier revoked, so long as the Minnesota South District shall continue to exist.

B) If the Minnesota South District ceases to exist, the property of or held by the Funds shall become the property of a successor of The Lutheran Church—Missouri Synod
organization, provided such successor LCMS organization qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue code of 1986, (as from time to time amended). The Board shall execute the necessary documents to effectuate such transfer. Any Restricted Gifts and Restricted Gifts with Special Terms shall continue to be subject to the same terms and conditions by such successor organization.

C) In the event that the Board fails to name a successor LCMS organization, then such property shall become the absolute property of The Lutheran Church—Missouri Synod Foundation (Foundation). Any Restricted Gifts and Restricted Gifts with Special Terms shall continue to be subject to the same terms and conditions by the Foundation.

3.41.04 Governing Board and Officers

A) The Board shall appoint, effective September 1 of each year following the Minnesota South District convention, three or more members who shall constitute a committee (Endowment Committee) charged with the responsibility and authority to operate, manage and account for the Funds, including the investment thereof, in accordance with the current Operating Policies, but subject to any Board approval required by these Operating Policies. At least two members shall be appointed from the District Finance Committee.

B) In addition to the members appointed above, the District Treasurer shall serve as an ex-officio voting member of the Endowment Committee. The District Treasurer shall have the responsibility of acknowledging, in writing, the receipt of and maintaining a record of each gift contribution.

C) No member of the Endowment Committee shall engage in any self-dealing or transactions involving the Funds in which the member has any financial interest and shall at all times refrain from any conduct in which his or her personal interest would conflict with the interest of the Minnesota South District or the Funds.

D) Any vacancies among the members of the Endowment Committee shall be filled by an appointment of a new member by the District President. A member so appointed shall serve for the unexpired term of the member he or she succeeds.

3.41.05 Election of Chair and Secretary

A) Chair

1. The chair of the Endowment Committee shall be elected by the members of the Endowment Committee.

2. The chair, or member designated by the chair, shall preside at all Endowment Committee meetings and shall have the responsibility of regularly reporting to the Board the actions and the financial status of the Funds and any recommendations of or actions requested of the Board by the Endowment Committee.

B) Secretary
1. The secretary of the Endowment Committee shall be elected by the members of the Endowment Committee.

2. The secretary shall maintain complete and accurate minutes of all meetings of the Endowment Committee.

3.41.06 Meetings of Endowment Committee

A) Time and Place of Meetings, Notice of Meetings

1. The Endowment Committee shall meet at least annually, as it may deem is in the best interests of the Funds.

2. Special meetings may be called by the chair or by the District President as needed.

B) Quorum and Voting. A majority of the members of the Endowment Committee shall constitute a quorum for the purpose of transacting the affairs of the Endowment Committee. Any action of the Endowment shall be deemed approved if adopted by an affirmative vote of a majority of the members present at a duly called meeting of the Endowment Committee at which a quorum is present.

3.41.07 Duties of the Endowment Committee

A) The Endowment Committee shall maintain complete and accurate minutes and shall, at least annually, render a full and complete accounting of the administration of the Funds during the preceding year.

B) The Endowment Committee shall maintain complete and accurate minutes and shall, at least annually, make recommendations to the Board for the investment of the Funds and the distribution of the income of each Fund for certain designated uses, projects and programs allowed by the Fund and which, in the opinion of the Endowment Committee, are consistent with the intent and purposes of the mission and ministry of the Minnesota South District. In the case of Restricted Gifts with Special Terms, such recommendations must be consistent with any special terms, conditions, restrictions, limitations or directions approved by the Board in the manner provided in Section 3.41.02, C, above. Upon recommendation of the Endowment Committee and approval of the Board, and to the extent allowed by applicable law, the Minnesota South District may, from time to time, delegate to one or more external agents the management and investment of the Funds or any portion thereof.

C) Upon receipt of any Restricted Gift with Special Terms approved by the Board in the manner provided in Section 3.41.02, C, above, the principal thereof shall be separately recorded. Unless the special terms or conditions on which any such Restricted Gift with Special Terms has been accepted provide otherwise, all income earned or principal increases realized or received with respect to a Restricted Gift with Special Terms shall be accounted for separately and, to the extent not used in any particular year for the purpose for which the principal is restricted, such income shall be added to the principal of such Restricted Gift with Special Terms to be used for the same purpose for which the principal
D) All assets of the Funds shall be kept and maintained separate, distinct, and independent from the funds and property otherwise belonging to the Minnesota South District.

E) To the extent the Board has allocated funds to do so, the Endowment Committee shall use reasonable and diligent efforts to publicize and promote the existence and purpose of the Funds, and may work with professional counselors including the District Planned Giving Counselor in the area of charitable giving, wills, bequests, insurance and other related disciplines.

3.41.08 Amendments

Any amendment to these Operating Policies that change, alter or amend the general purpose for which the Funds are established shall be adopted only if approved by a two thirds majority of the voting members present at a regularly scheduled or duly called and constituted meeting of the Board of Directors, provided a special notice is given to the members of the Board of Directors not less than twenty-four hours prior to such meeting stating that such an amendment will be proposed to the Board of Directors. Any other amendment to these Operating Policies may be adopted by the vote of a majority of the Board of Directors at a regularly or duly called and constituted meeting of such Board. Changes must be submitted to and approved by the Synod’s Commission on Constitutional Matters.


Part F. Constitution Committee

3.51 Congregational Documents of Incorporation

3.51.01 Background

Religious corporations in Minnesota are incorporated under either chapter 315 or chapter 317A of Minnesota Statutes. The certificate of incorporation under chapter 315 is filed with the local county recorder, and the articles of incorporation under chapter 317A are filed with the secretary of state. It would be helpful to the Constitution Committee to know (a) which chapter is applicable, and (b) that it has all relevant documents.

3.51.02 All incorporated and incorporating congregations submitting documents for review by the Constitution Committee shall provide the Committee with either:

A) certified copies of the documents of incorporation or,

B) if they have not yet been filed, copies of the proposed documents of incorporation

Adopted 2/20/2007
SECTION IV – DISTRICT OPERATIONS

4.01 Automobile Purchase and Disposal

4.01.01 The District shall continue the policy of owning automobiles for the executive and professional staff, applicable only for those in service prior to Jan. 1, 2013. These vehicles shall be traded, at the discretion of the Treasurer, at an approximate time period not to exceed five (5) years or more than 120,000 miles of usage, whichever comes first.

4.01.02 The District Treasurer, in consultation with the chairman of the Finance Committee shall have the authority to purchase autos for District staff use. Existing autos will be traded in unless staff or other interested parties are awarded the vehicle for a bid of at least the price offered on the trade as determined by the District Treasurer.

4.01.03 If a staff person wishes to purchase an auto of a different make or model, at a more expensive price, he/she may do so if he/she agrees to pay the difference in cost. When the more expensive auto is traded in, the difference in the trade in value of the more expensive auto, less the trade in value of the approved models, if any, shall be refunded to the employee. Such difference will be obtained from the NADA used car book.

Policy 4.01.02 & 4.01.03 Adopted 6/7/1994, Revised 5/6/1997

4.02 Mileage Reimbursement

The mileage rate allowance paid by the District (to those to whom no other compensation is paid for the use of an automobile for District business) will be the IRS business rate. The mileage rate, accordingly, will rise and/or fall as the Internal Revenue Service guidelines change.


4.03 Data Privacy and Access

The following policy defines who will have access to the informational files of the Minnesota South District of The Lutheran Church—Missouri Synod.

4.03.01 Informational files consist of the following:

A) Pastor’s Information Form (PIF), Self-Evaluation Tool (SET), and additional miscellaneous information.

B) Commissioned Ministers Information Form (CMIF), and additional miscellaneous information.

C) District executive, professional and support staff personnel files.

D) Information relating to the ordination and installation of a Minister of Religion, Ordained.
E) Information relating to the commissioning and installation of a Minister of Religion, Commissioned.

F) Biographical, historical, and statistical information regarding individual congregations and schools.

4.03.02 The Minnesota South District establishes the following rights and responsibilities for access to informational files:

A) All personnel records, as well as information related to Minnesota Statute §604.20, formally 148A, created, received, maintained, or disseminated by the Minnesota South District are the sole property of the Minnesota South District.

B) Professional church workers have the right to inspect personnel records that reflect biographical and evaluative data generated by their ecclesiastical supervisor. Ministers of Religion, Ordained and Commissioned also have the right to review reports submitted on them as part of the District’s §604.20, formally 148A, compliance program.

C) District executive, professional and support staff have the right to inspect personnel records that reflect evaluative data generated by their immediate supervisor and/or the Personnel Manager of the District.

D) Access to other information is prohibited unless permission is granted by the Minnesota South District President.

Adopted 4/6/1993, Revised 8/10/1993

4.04 Convention Delegate Names and Addresses

It shall be the policy of the Minnesota South District to publish the names and addresses of all voting delegates, as received by the official pre-registration deadline, only in the Convention Workbook.


4.05 Fund-Raising Campaign Databases

4.05.01 A database generated by any District sponsored fund-raising campaign in which individuals within the Minnesota South District and their contributions are listed will only be used within the Minnesota South District to further the advancement of the District’s mission and ministry.

4.05.02 The donor database will not be shared with other entities or agencies within or outside the District.

4.05.03 The District may use the donor database for the purposes of follow-up and future development activities.

Adopted 9/10/1996

4.06 Editorial Guidelines for Lutheran Witness Supplement
4.06.01 The Supplement Editor:

A) Will publish news of congregational events, including anniversaries, installations and retirements.

B) May consider publishing items external to The Lutheran Church—Missouri Synod.

C) May consider publishing items from fraternal and auxiliary organizations.

D) Will publish obituaries only from certain high profile individuals.

E) Will not publish articles publicizing or supporting secular politics.

F) Will publish articles which may inflame readers if, after consultation with the District Office, the issues are considered important.

G) Will avoid issues that would defame individuals and/or institutions.

H) Will not accept advertising.

4.06.02 Decisions made by the Supplement Editor, in consultation with the District President, will be final.  

Adopted 5/7/1996

4.07 Long-Term Consultation Reimbursement

4.07.01 The executive staff of the Minnesota South District is occasionally called upon to provide ongoing consultation to a particular congregation or group of congregations. Such consultation often involves numerous personal visits and a large time commitment. Also in order to provide this consultation the staff must receive ongoing training, which involves additional cost to the District.

4.07.02 After an initial consultation, a congregation desiring such services from the executive staff of the District will be asked to reimburse the District for actual expenses incurred after three (3) visits or to enter into a long-term process agreement. 


4.08 Loans and Missions Grants to Congregations Operating Outside of Approved Constitutions

4.08.01 The issue of a congregation operating outside of an approved constitution and bylaws is a matter of ecclesiastical supervision by the District President. Constitutions and constitutional changes must be approved by the MNS District Constitution Committee. Congregations are encouraged to act with due diligence regarding approved constitutions and constitution/bylaw changes. The last approved version of congregational governing documents are considered to be in force. (LCMS Bylaw 2.4.1 [f].)

4.08.02 The fact that a congregation operates outside of an approved constitution shall not be used to determine whether or not to approve an LCEF loan or a mission or ministry grant.
4.09 Use of Interest from the Ulbricht Bequest

The Minnesota South District shall set up an Ulbricht Endowment Fund in the Board Designated Funds with the interest income to be used for student aid. This policy is to remain in effect until changed by the Board of Directors.

Adopted 2/3/1987, Revised 9/16/1997

4.10 Frequency of Bank Deposits

Bank deposits are to be made any time there is more than $10,000 in cash and/or checks on hand.

Adopted 9/10/1996

4.11 Undesignated Fund Balance Policy

The Treasurer of the District shall strive to maintain an Undesignated Fund Balance equal to no less than 50% of annual operating expenses.

Adopted 9/12/2000

4.12 Funds from Congregational Dissolutions

4.12.01 When the District receives proceeds from the dissolution of a congregation, the Treasurer shall establish an account in which to hold these funds for two years in order to pay any outstanding bills of the congregation.

4.12.02 At the end of the two years, the account shall be closed and the funds shall be applied according to provisions agreed to by the congregation and the District. In the event no provisions have been made the funds shall be deposited in the District’s New Mission Congregation Endowment Fund.

Adopted 12/7/2004

4.13 Financial Assistance to Congregations in Special Situations

Extraordinary circumstances may cause a congregation to experience extraordinary financial need. In such a situation, the congregation’s resources are not sufficient to enable the congregation to resolve the financial challenge. The Board of Directors may include funds in the Minnesota South District’s budget for use in such circumstances. This policy authorizes the District President to use these budgeted funds to help a congregation overcome the problem that has developed. The District President shall administer these funds according to the following stipulations:

A) The congregation through unforeseen circumstances (e.g., a destructive storm, a judgment rendered against it by a court, a fire, or some other development that has a catastrophic financial effect on the congregation) has become financially unstable or insolvent and therefore needs financial support to continue its ministry or to work its way out of the problem that has emerged.
B) The President in confidence shall discuss the congregation’s situation with the District Praesidium to receive counsel and advice, and he may consult with members of the District executive staff. However, the President remains solely responsible for administering the fund.

C) The President may require the congregation to repay the funds in full or in part at a future date when the congregation’s financial situation has stabilized or returned to normal. The decision to require repayment rests with the President.

D) In general, a congregation may receive funds governed by this policy only once because these funds are not to be used as an ongoing or annual source of financial support for a congregation. The President may, however, use his discretion in applying this general rule.

E) The President shall work closely with the Treasurer of the District in administering the funds so that a proper accounting of the funds can be maintained.

F) The President shall report to the Board of Directors on his administration of these funds, and he shall do that on an annual basis at the end of the fiscal year or at other times, as he deems appropriate and necessary.

G) Strict confidentiality shall be maintained so that only the President and those with whom he shares information on a “need to know” basis know the identity of the congregation(s) receiving these funds.

Adopted 11/7/2000

4.14 Employee Protection (Whistleblower) Policy

If any employee reasonably believes, in good faith, that some activity, policy or practice of the Minnesota South District of the Lutheran Church – Missouri Synod (the “Minnesota South District”) violates any laws, regulations, codes or other public mandates (“laws”), the employee must file a written complaint with the District President or the First Vice-President of the District. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

It is the intent of Minnesota South District to adhere to all laws that apply to it and the purpose of this policy is to support the organization’s goal of legal compliance. The help of all employees is necessary to achieving compliance with various laws. An employee is only protected from retaliation if the employee brings an alleged unlawful activity, policy, or practice to the attention of the Minnesota South District as provided in this policy and provides the Minnesota South District with a reasonable opportunity to investigate and correct the alleged unlawful activity.

The Minnesota South District will not retaliate against an employee who, in good faith, makes a protest or raises a complaint against some activity, policy or practice of the Minnesota South District or of another individual or entity with whom the Minnesota South District has an ecclesiastical or business relationship if the employee has a reasonable belief that the activity, policy or practice is in violation of
any law. Likewise, the Minnesota South District will not retaliate against an employee who, in good faith, discloses or threatens to disclose to a supervisor or a public body any activity, policy, or practice of the Minnesota South District that the employee reasonably believes is in violation of any law.

An employee who retaliates against someone who has reported an alleged unlawful activity, policy or practice in good faith is subject to discipline up to and including termination of employment. Any allegations that are not made in good faith or that are known to be false when made will be viewed as a serious disciplinary offense.

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