



The Five Types of Governance in the Lutheran Church Missouri Synod

(And How to Improve Each Type)

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Executive Summary

Unclear governance in congregations can lead to unnecessary confusion and frustration. All too often, voters' meetings produce more heat than light. Important decisions are either delayed or crippled by debilitating compromises. In some cases, they can also provide an arena for poor churchmanship. But good governance is possible for any congregation.

In my work with LCMS congregations, I've observed five types of governance models in action. These include voters' assembly, parish planning council, parallel boards, managing boards, and governing boards. There is no one best way to structure governance because different size congregations flourish under different governance models. Each of these five can be improved so that the work of the congregation can move ahead decently and in order.

Voters' Assembly

We believe that authority in the congregation is given by God to the body of believers gathered together. Practically, this means that the formal members of the congregation meet periodically to set direction and solve problems. Traditionally, voters' meetings are usually held once per month or so. Today, larger congregations typically limit these gatherings to one or two times per year. One challenge many congregations face is making sure enough members are present in order to establish a quorum for the voters' meeting.

Smaller congregations and new starts sometimes use the voters' meeting to govern without any other council or board. Here is how congregations using once a month voters' meetings as their primary way of governing can improve.

Love one another, organically. Emphasize the organic nature and the relational atmosphere that you want to have in the congregation. Remind members they are a part of the Body of Christ. Avoid focusing on the bureaucratic or political nature of these kinds of meetings. Work on building the kind of culture you want to have.

Cultivate an outward mindset. An inward mindset focuses on what is happening at the church. An outward mindset is focusing on loving our neighbors. Help members learn to focus on mission. The congregation is not a country club and does not exist for members' self-serving reasons.

Each congregation is located in a physical place with neighbors to love and people who are in desperate need of the gospel.

Remember the compliments you receive, forget the insults; if you succeed in doing this, tell me how.

Mary Smich

Spend time in fervent prayer at each meeting. All too often, voters' meetings begin with a perfunctory opening prayer by the pastor or congregational president. It's almost like we are afraid to pray more for fear we will not have enough time left to cover all of the items on the agenda. Coming together in prayer and joining together at the foot of the cross can melt away many of the tensions that exist, which will allow business and ministry decisions to be made more quickly.

Include relational time after each meeting. Rather than taking the vote to adjourn and everyone heading straight out to their cars, allow some time for restoring relationships and for the Body of Christ to function. This gives people a chance to apologize to one another if needed and come back together after any disagreements in the meeting.

Meet quarterly instead of monthly. Often, monthly meetings will require leaders to add minor issues to the agenda and tend to draw members into micromanaging. Quarterly financial reports tend to even out the ups and downs of monthly income and expenses. If an important issue arises between meetings, the leadership can easily schedule a special voters' meeting to deal with the urgent issue requiring attention.

Supplement voters' meetings with informal gatherings. Between voters' meetings, leaders can schedule separate town hall or church chat meetings. These meetings are informal times for the pastor and leaders and the rest of the members to talk about the direction of the congregation and problems to be solved. These offer a safe place for issues to be aired. If a congregation has one voters' meeting per quarter, the leaders can easily schedule one town hall meeting in between each voters' meeting.

Don't meet at night. If your congregation only has one worship service, consider holding the voters' meeting or town hall meeting immediately after the worship service rather than on a separate weeknight evening. Holding voters' meetings on weeknights are not family-friendly for anyone who has children, schedule-friendly for anyone who works evenings, or helpful for those who are trying to live missionally and spend time with their non-Christian neighbors. If it works in your schedule, conclude the worship service, break for coffee and donut

holes in the lobby, then reconvene for a short and sweet voters' meeting.

Don't sit in pews. The seating arrangement can make a big difference in the tone of a voters' meeting. Unfortunately, a common practice is to have members sitting in pews, officers sitting in front at a table, and members looking at the back of other peoples' heads. This unintentionally sets the stage for conflict. Those on different sides of a big issue tend to clump together. In general, it is much better sit in a circle as much as possible, even if you end up with a rather large circle. Pay attention to seating and intentionally set up chairs to improve the conversational dynamics in your meeting.

Use Robert's Rules of Order lightly. Use traditional procedures as you run the meeting, but don't go overboard. Make sure at least one person is familiar with Robert's Rules and has studied the book (you can find it online for free). Keep things simple and don't get too technical. Also, don't call for the vote too soon. Allow everyone who cares to contribute to the conversation have a chance to talk.

Limit the amount of budget detail given to the voters. I recommend a budget report that fits on one side of one sheet of paper. Unfortunately, many treasurers tend to give more budget detail than the typical member can absorb. Overly detailed reports can lead to nitpicky questions and confusion. In one voters' meeting, a young woman was very upset that the new preschool teacher was receiving a higher housing allowance than the pastor. She adamantly complained that this was unfair. Unfortunately, there wasn't enough time to explain to her the IRS guidelines about housing allowances or even why we have them. In general, members need to see if giving is on track, if major expense categories are sticking to the budgeted amount, and if the bottom line and yearend projection look healthy.

Best fit. Governance by voters' meeting alone can work well for very small congregations. Ideally, you would want to get the "whole system" in the room and talk together about real issues. Generally, once the congregation grows to about 90 in worship, or when more than one worship service is offered, governance by voters' meeting tends to become less effective. At that point, it would be wise to move to a board structure or parish planning council.

If you hear that someone is speaking ill of you, instead of trying to defend yourself, you should say: "He obviously does not know me very well, since there are so many other faults he could have mentioned.

Epictetus (55-135 AD)

Parish Planning Council

The church council, or parish planning council (also known as the Abdon model), is a monthly meeting of the officers of the congregation and the chairperson from each of several ministry boards. For example, this would include the chair of the board of stewardship, chair of the board of finance, chair the board of evangelism, chair the board Christian education, chair the board of youth ministry, and so on. These are usually elected positions. This model tends to be more effective than a monthly voters' meeting for medium-size congregations. With a church council meeting monthly and ministry boards functioning, the voters can meet once or twice a year to approve the annual budget and elect new council members.

Clarify roles and expectations. To make the parish planning council function better, make sure the expectations of officers and council members are clear. Typically, the congregational president is chair of the church council, but a different person can be appointed to facilitate the meetings. Instead of doing work, the council should leave this to the pastor and staff, committees, and to the lay-led ministry boards. Their role should be fiduciary oversight, organizational health, and planning for the future.

As much as possible, the council should act like a board. All too often, the chairs of the ministry boards are coming to meetings to fight for their piece of the budget or their place on the church calendar. Instead, all the council members should focus on the health of the entire congregation rather than merely protecting their turf.

In general, don't use Robert's Rules of Order. This may sound counterintuitive, but these rules were designed for use in large, unruly crowds. It's not called parliamentary procedure for nothing. Asking for a motion and a second can feel weird. Instead, the president can simply lead a discussion. Resist the temptation to vote too soon. As much as possible strive for consensus. The use of polls can be helpful; "If we were to vote right now how many would vote yes and how many would vote no?"

Submit reports in writing. Typically, a council meeting can be up to three hours long with one hour given to verbal ministry reports, one hour given to budget review, and the last hour given to other church issues. Instead of having each ministry board chair give a verbal report, have them submit their reports in writing and email the reports to

council members a few days ahead of the meeting for reading prior to the meeting. This alone can save an hour each meeting.

Conduct the budget review thoughtfully. A church council may desire more detail in the budget report than is recommended for the voters' meeting, but avoid handing out the financial report at the meeting. It can take up to an hour for the council to study it and ask detailed questions. Often, these questions on miniscule details are not that helpful. Here's an interaction I observed firsthand in a council meeting with a lay person who was a middle manager in a large corporation.

Manager: This budget line here says \$7,000 for paper. What all is this for?

Pastor: Paper.

Manager (angrily): What else is in there? Is there a new copy machine buried in there?

Pastor: No, just paper.

Manager (surprised): You mean to tell me the church spends \$7,000 a year on paper?

Pastor: Yes.

Typically, a council will take about an hour to go over a budget report, asking a lot of questions, and then taking no meaningful action. But they keep doing it that way because "inquiring minds want to know."

Use ad hoc committees to get more work done faster. If you need to formulate a budget for the year, set strategic goals, or order a new sign for the front of the church, delegate when possible to a temporary subcommittee of the council who can do the research, make a decision, and report back the results. Then review and approve their decision, but don't remake it. For example, one council appointed three people to do the research and recommend a new sign for the road in front of the church. The ad hoc committee did its work and then came back to the council with their recommendation. They reported that they looked closely at four designs and showed them the one they selected. Then someone asked to see the other options that were rejected and the council spent the next twenty minutes remaking the decision that had already been made.

People in any organization are always attached to the obsolete; the things that should have worked but did not, the things that once were productive and no longer are.

Peter F. Drucker

What to do when no one is willing to serve. One of the most difficult parts of the parish planning council model is making sure all of the ministry boards are functioning and that the chair of each ministry board is willing to also attend the council meetings. If you have open positions on the council because no one is willing to serve, one solution

is to simply leave the positions open. Another solution is to add “at large” members to the council who are not currently chairing a ministry board (if that is allowable in the bylaws).

Best fit. The parish planning council model is the best fit for congregations between 100 and 500 in weekly worship attendance. With less than 100 it's difficult to fill all of the ministry board positions. At more than 500 this form of governance begins to collapse under its own weight. A larger, more complex organization needs a more streamlined governance structure such as a board of directors.

Parallel Boards

When the council model becomes too unwieldy, some congregations attempt to simplify their governance with two or more boards to divide the work load. For example, the church might have a board of directors to handle business and finance issues along with a board of elders to oversee spiritual issues. Another common variation is to have a board of directors, board of elders, and a separate school board, all equal in authority. Less common, some congregations may have a separate foundation board or a separate board for funding mission work.

This form of governance is also known as a two-headed or three-headed monster. With more than one board at equal level of authority, the boards tend to get crosswise with each other. Technically, this way of organizing allows structural traps for conflict to occur. Different boards have diverse viewpoints and often, competing priorities. They have a difficult time deliberating important issues together. Here is a highly condensed summary of the kind of conversation that often results.

Church board: We need to raise tuition.

School board: No! We can't!

Another problematic example is a board of directors and board of elders at the same level of authority. There is no easy way to define who's in charge of what. For example what if the board of elders wants to increase the budget for ministry to older members, and the board of directors wants to decrease it? Who's in charge? This is difficult to answer because this way of organizing the work is essentially Gnostic, attempting to divide the spiritual from the physical.

Watch out for unofficial boards. Sometimes permanent committees or informal ministry boards confiscate a portion of the budget. In one congregation, all of the “good old boys” put themselves on the properties committee. They decided when the church needed to be reroofed, selected the shingles, and then told the board how much it would cost. They made the decision about which company would be hired to reseal the parking lot. The problem however was they were a rogue committee functioning like a board without accountability. But at least they were having fun. Don’t let small committees control big pieces of the budget.

Run, don’t walk, to a structure with a single board. The solution to the problems with parallel boards is to move to a single board of directors. Usually this will require a bylaw change and this will have to be done following the procedures set forth in the bylaws. What will happen to the other boards? For the school board, either eliminate the board or form a parents’ group to assist the principal. For accreditation purposes, the school needs a school board. But if the school is a ministry of the church, then the board of the church is also the board of the school. If the school is large and financially stable, another option is to make the school a separate 501(c)(3) with a separate board of directors financially independent from the congregation. For a missions board, make them a subcommittee of the board of directors or change the format so that there's wider participation of more members from the congregation in determining which missions would be supported. For a foundation board, one solution is to make them a subcommittee that reports to the board of directors. So instead of deciding how funds would be spent, they will make a recommendation to the board of directors who will then make the final decision. The foundation board may also be set up as a separate organization as well. For a properties committee or another rogue group, turn them into a ministry action team accountable to one of the staff members of the church.

In the first place, God made idiots. That was for practice. Then he made school boards.

Mark Twain

Elders are a special case. If a congregation has a single board of directors, where do the elders fit? In the LCMS, we have freedom to have elders, not have elders, and define their role to fit what the congregation needs. Instead of calling them board of elders, just call them elders to minimize confusion with the board. Here are five options LCMS congregations have used for how elders can fit in a structure with a single board of directors.

1. Define their role as encouraging the pastor, assisting in worship, and helping with specific ministries. They care for the pastor and can serve as a sounding board for him.
2. Make them a ministry action team that reports to the pastor and primarily serves as worship assistants.
3. If the congregation has a vital small group ministry, group leaders can basically serve in the under-shepherd role. Though they do the work of elders in caring for people in their groups, they are usually not called elders.
4. Include the elders as a part of the board of directors. Often, a board of directors has both male and female members. When situations arise requiring supervision of the pastor, the female members of the board are excused and the male members of the board become the elders to deal with the issue.
5. The last option is to not have any elders. In the LCMS, we are free to have elders or not have elders, and at the very beginning of the synod, none of the congregations had elders. For some congregations this is a good solution, but almost all pastors find it useful to have elders. Most would prefer that the elders are appointed by the pastor rather than selected by the congregation.

Best fit. Parallel boards, where there are two or more decision-making boards at the same level of authority, are not the best for any size congregation. There's no situation where this is the best alternative because it allows a structural trap for conflict to occur. If you want to simplify governance, then a single board needs to be elected to oversee the spiritual health and financial health of the congregation.

Managing Board

A managing board is a single board of directors that oversees the ministry, staff, and finances of the congregation. The name that congregations select for this group is all over the map. It can be called board of directors, church board, church council, leadership council, leadership team, trustees, or even vestry. The board members, or trustees, are members of the congregation who are elected by the voters. Their role is to serve the voters in overseeing the congregation so the voters don't have to meet every month. A managing board serves

under the authority of the voters and is responsible to keep the voters informed.

All I mean is that a board of directors is one or two ambitious men—and a lot of ballast.

Ayn Rand

Board members should be selected for their giftedness. Each trustee should represent the entire congregation. Therefore you don't want someone to represent the school, someone to represent the older members, and someone to represent younger families. Ideally, every board member represents the entire congregation. This helps keep petty politics out of the board meetings. To achieve this, it's a best practice for the nominating committee to put forth a single slate of candidates to be ratified by the voters rather than two or more candidates for every position and a congregational vote that produces "winners and losers." Having conducted all the interviews with the candidates, the nominating committee will, in general, be better at selecting the most spiritually mature candidates than a voters' meeting where people can be counted on to vote for their cousin or their friend.

Clarify the line between staff work and board work. The board should approve the budget, monitor the budget closely, deal with significant issues, and set annual ministry goals, but stay out of day-to-day operations of the congregation as much as is possible.

Focus on the future. While the board can learn from the past, it should spend more of its time focusing on the future. The board and the pastor together should set clear annual goals for ministry. But the board should also be spending time on planning further into the future. Rather than tell the pastor or staff how to do their job, the board should focus on results.

Limit time talking about the budget. After a budget is approved, the board should monitor the finances of the congregation closely. If a major expense item is in the budget, the pastor does not have to ask permission to spend what has already been approved. However, non-budgeted items should require board approval.

Avoid micromanaging. While a managing board is responsible for managing the congregation, it will want to operate on a higher level as much as possible. However, it's hard for some board members to avoid getting into the weeds. People who are gifted at management, or hold management positions at large companies, tend to want to manage the church in a similar manner without the benefit of being on site every day. If the board only meets once a month or less, they need to manage at a higher level leaving the operational details to the pastor and staff.

Make use of ad hoc committees when needed. When it comes time to develop a budget, appoint a subcommittee to bring a draft budget to the board for approval rather than attempting to develop that as a whole board. As another example, if you are wondering if the congregation is adequately insured, appoint small committee with expertise rather than attempting to decide this is a whole board.

Meet 6 to 10 times per year. Most managing boards meet monthly. But those who do often cancel the December meeting and one during the slower summer months. Meeting less than quarterly does not allow for adequate financial monitoring. This is why most managing boards meet somewhere between 6 to 10 times per year. A board can still receive monthly financial reports even if they don't meet monthly.

Take time to build relationships so that the board can govern well. Organize a cookout during the summer at someone's house with spouses invited. Get to know each other, their families, and what they do for a living. The closer board members can bond as a team, the more they will enjoy board work and the better they will do managing the congregation.

Best fit. The managing board model tends to work best with congregations that have 200 people or more in worship attendance. If you have a parish planning council structure with 8 to 12 ministry boards and you move to one managing board, what do you do with all the old boards? How do you keep all of the ministries happening? A lot of congregations are moving to ministry action teams, which are small groups of volunteers dedicated to doing ministry in a particular area. Typically these are lay-led, but in certain cases they can be staff-led. Ministry action teams have a leader appointed by the staff, members recruited by the leader, and a clear ministry task. In a typical transition, the old youth board, for example, will often become the ministry action team for youth ministry. This is a flexible and effective way to organize lay people for the work of ministry that needs to be done. In general, the pastor or staff can appoint ministry action teams for anything. Typically, VBS is run this way. A lay person is asked to lead the effort, recruit the volunteers, and coordinate the week. Ministry action teams can be temporary and event oriented or long-term.

Meetings are indispensable when you don't want to do anything.

John Kenneth Galbraith

Governing Board

Governing boards are boards that oversee the congregation through written policies rather than direct management. A large percentage of larger congregations have already made this transition or would like to. A growing number of pastors will not take a new call without policy-based governance in place. However, policy-based governance is not for everybody. My opinion is that most congregations in the LCMS should not use policy-based governance. Here are the four prerequisites.

1. You must have a senior pastor with proven leadership gifts. Our pastors are gifted in various ways, as in pastoral care, preaching, teaching, administration, and most want to function in their areas of giftedness. Not every pastor has the inclination and strengths to lead a large congregation under policy-based governance.

2. You have to have board members who want to do board work. Most people would consider policy writing a rather dull activity. Governing is hard work and not many people are good at it.

3. You have to have board members who want to stay out of staff work. This is the essence of policy-based governance, and people who are gifted in management want to get in there, roll up their sleeves, and manage. They can't help but drill down and ask incisive questions about what's going on. But governing boards need trustees who can let the policies do the work for them.

4. You need one or more board members with knowledge and expertise in policy-based governance. When questions come up, it's helpful to have people on the board who understand governance thoroughly.

If these four prerequisites are not in place, the organization does not have what it needs to be a true, governing board. They will keep getting pulled into operational issues so they might as well be a good managing board. Here are some additional ways to improve the functioning of a governing board.

The ideal size for a governing board is 5 to 12 members. How many people does it take to write a policy? That depends. How many board members does it take to change a lightbulb? Having more than 12 members on the governing board does not make it easier to set direction for the congregation and write board policies.

In general, no other staff should attend the board meetings. The senior pastor should be the only staff person at the meetings. This practice is intended to maintain the single point of accountability between the governing board and the senior pastor. If other employees are brought into the meeting, it is difficult for the board to speak objectively about poor performance they may be sensing. Some people naturally want the school principal or business manager in attendance at the meetings so that they are available to answer questions any board member may have. As a general principle, the senior pastor ought to be able to answer any questions the board may have. The danger with inviting these other staff is that it can drag the board into the weeds and into staff work.

Governing boards should strive for consensus. In general, a 5 to 4 vote means that an issue has not been discussed in depth enough to reach consensus. Consensus is defined not as everyone agreeing, but that all board members understand the basis for the position and agree that they will support the decision after the meeting. This way of working through issues takes more time than calling for a vote and then moving on.

The governing board must refresh its policies. You can't be a governing board without written policies, so the first task of a new governing board is to develop their board policy manual. After that hard work is complete, they need to review each section of the board policy manual and the bylaws at least once per year. Then they need to let the policies do their work. One time I was interviewing the board chair of a large ministry by telephone. I just finished reviewing their board policy manual. I asked the board chair if this board was policy-based he said, "Yes." While holding the document in my hand, I asked if the board had their policies in writing, and he said, "I don't think so." Obviously, this board had not reviewed their policies in a long time. It is absolutely essential for all trustees to be familiar with the policies and to maintain the board policy manual.

Make sure you have good ends policies. The ends policies define the strategic direction of the church and what the congregation is there to accomplish. Clear ends policies, developed in conjunction with the senior pastor, provide the long-range direction needed for the staff to develop annual ministry plans. Some boards don't know what results the organization is trying to achieve, so they put a mission statement, vision statement, or core values in this section of the board policy manual. This is a mistake. While these foundational documents are

The basic idea is still the same: separate inputs from outputs, and hold yourself accountable for progress in outputs, even if those outputs defy measurement.

Jim Collins

useful management tools, they are usually not written in results language, which is the essence of ends policies.

It's so much easier to throw rocks than it is to govern.

Karen Bass

Limitations policies need to be stated in the negative. When it comes to directing the staff about how to do their job, the governing board limits itself to only describing what the staff may not do. This is accomplished by writing limitations policies in the negative. A biblical parallel is: "Thou shalt not." Though awkward at times, if you write policies that tell staff how to do their job, you move out of governing and into the realm of managing. In addition, it weakens your ability to hold staff accountable.

Stay out of the weeds. Governing boards require a competent chair to guide discussion, keep board members doing board work, and keep them out of staff work. This is not easy. The board chair should set the agenda, allocate time for each agenda item, and know when to postpone decisions for later meetings. My favorite Bible verse for board chairs is Hebrews 6:3: "Lord willing, we will move on now to other things" (TLB).

Minutes should reflect board actions only. For purposes of transparency and trust, it's a good idea to allow board minutes to be available to any congregational member. So a best practice is for the board minutes to record only official board action, and not all of the discussions surrounding that or the personal comments of individual trustees. The "one voice principle" holds that the information going to the voters and to the congregation is speaking in one voice from the board.

Compile an orientation packet. As new trustees are voted onto the governing board, they need an on-boarding process to help them understand policy-based governance, the existing board policy manual, and how the board functions. This packet can include a copy of the board policy manual, a book to read about policy-based governance, and articles from the Internet. Before their first board meeting, schedule a meeting with a couple of experienced board members to answer any questions they might have. This way the new board members will be able to contribute productively from their first meeting instead of a waiting and watching for a couple of months to "see how things are done around here."

Best fit. A governing board that uses a policy-based approach is not for everybody. Some medium-size congregations are using it successfully, but it begins to become essential for the congregation that has 500 or more in weekly worship. It is a significant factor for congregations struggling to break through the 800 barrier, which is moving from below 800 to above 800 in weekly worship. If you don't have all the prerequisites in place for a governing board, then it's best to stick with the managing board model but try to oversee at a higher level.

Conclusion

There are five types of governance in the LCMS. One of them is the right fit for your congregation and all five can be improved. As a general principle, the number of people involved in governance should get smaller the larger the organization becomes. No matter what size congregation you have, elect or appoint only spiritually mature leaders for these positions. If you currently have the right model, keep it and improve it. If you see a need to make a change, find a way to open the conversation about how to transition your current form of governance to a better model.

Free Resources

Here is how to access Robert's Rules of Order online for free:

<http://www.rulesonline.com/>

Here is a one-page cheat sheet for Robert's Rules you can print out:

<http://www.robertsrules.org/>

Here is an article you can download introducing the concept of policy-based governance:

<http://www.galvinandassociates.com/downloadables/The%20Great%20Board%20Debate.pdf>

For more free resources, visit these websites:

<http://www.galvinandassociates.com/resources/articles/>

<http://www.galvinandassociates.com/resources/white-papers/>

<http://www.boardeffectiveness.org>

If you need assistance transitioning to a new governance model, developing written board policies, or facilitating a strategic retreat, feel free to connect by email or telephone.

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