

GUIDING PRINCIPLES

for the Church of the United Brethren in Christ, USA

A Governance Document for the National Office

Preamble

The following document is intended by the National Offices (or simply “Office”) to implement an accountable leadership model for the specific needs of the Church of the United Brethren in Christ, USA (or COTUBIC). The Guiding Principles fall into three categories: Mission Principles, Boundary Principles, and Accountability Principles, and are subject to continual revision by the Executive Leadership Team (or ELT). The guiding Principles are not subject to revision or approval by any authority other than the ELT.

Through the Mission Principles the ELT prescribes for the Bishop the major ends to be achieved by the COTUBIC. The ends are in harmony with the following purpose statement as adopted by the ELT: “Our mission is to effectively resource pastors and congregations of the US National conference to fulfill the Great Commission. As a result of this mission we envision every UBIC Church working together with others for spiritual health, resulting in:

- Courageous leaders impacting their communities
- Increasing number of people being won to Christ and growing to become fully devoted followers of Christ
- Participation in church multiplication

Through its Boundary Principles the ELT sets limits on the means that may be used in the pursuit of those ends prescribed by the Mission Principles. However, the ELT is careful not to prescribe any particular means to be used, in order to leave the leadership and management of the denomination to the Bishop and the staff.

Through its Accountability Principles the ELT instructs its chairman how to maintain the connection of the denomination with its constituents, the monitoring of the Bishop’s performance, and the integrity of the ELT’s own process. In any case where the Guiding Principles delegates to the Bishop and staff a decision required by the Discipline to be made by the ELT, such requirement will be fulfilled through a routine consent agenda by the ELT.

Mission Principles

MP1.0 Comprehensive Mission Principle

The National Conference of the Church of the United Brethren in Christ, USA exists is to effectively resource pastors and congregations of the US National conference to fulfill the Great Commission

In short, the Conference and offices exists to get our churches what they need for mission.

MP1.1 Local Mission

The first priority of the Conference and Offices will be ensuring that our churches receive effective encouragement, resources and opportunities for the following aspects of local mission: healthy growth, leadership development, financial stewardship, community outreach and church multiplication—all



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delivered by the Offices or in collaboration with them.

(The following defines terms used in the Component Principle MP1.1. They are not intended to imply that the Bishop is accountable to results that are beyond his control at the local church level)

MP1.1.1 Definition: Healthy Growth

“Healthy Growth” means an increase in average weekly attendance and an minimum ratio of baptisms to attendance of 10% >annually – both in the context of biblical integrity, spiritual vitality and missional accountability.

MP1.1.2 Definition: Leadership Development

“Leadership Development” means an increase in the number of pastors, lay leaders and ministry leaders, including part-time, full-time, paid and unpaid. This growth in deployed leaders ideally exceeds the attendance growth rate.

MP1.1.3 Definition: Financial Stewardship

“Financial Stewardship” means growth in regular offerings, strategic capital campaigns, mission tithing from the budget, prudent financing, competent financial management, and appropriate facilities development.

MP1.1.4 Definition: Community Outreach

“Community Outreach” means meeting community needs; networking with community leaders; connecting through associations and clusters; and working appropriately with other local churches.

MP1.1.5 Definition: Church Multiplication

“Church Multiplication” means launching new internal congregations, worship sites, and church plants – ideally in partnership with other local congregations.

Boundary Principles

BP1.0 Comprehensive Boundary Principle

The Bishop shall not cause or allow any practice, decision, or circumstance that is unlawful, contrary to evangelical Christian values, contrary to the Constitution and Discipline of the Church of the United Brethren in Christ, USA, contrary to the Guiding Principles, or clearly imprudent for an evangelical mission organization in the USA.

BP 1.1.1 Theological Parameters

The Bishop shall not knowingly allow UB personnel to disregard or oppose the essentials of evangelical Christian theology such as those expressed in the Confession of Faith. Nor shall the Bishop fail to apply appropriate discipline toward any leader or church associated with the denomination that so disregards or opposes such essentials.

BP 1.1.2 Moral Boundaries

The Bishop shall not knowingly allow UB personnel to violate or to advocate the violation of the basic moral boundaries of evangelical Christianity such as those expressed in the moral standards and social concerns of the Discipline. Nor shall the Bishop fail to apply appropriate discipline toward any leader or church associated with the denomination that practices or advocates such violation.

BP 1.1.3 Ministry Standards

The Bishop shall not allow UB personnel to persist in ministry practices that are inappropriate for an evangelical mission organization in the USA or unproductive with respect to its mission. Nor shall the Bishop fail to apply appropriate influence toward any leader or church associated with the denomination that persists in such practices.

BP 1.2 Financial Planning and Budgeting

Financial planning for any fiscal year or the remaining part of any fiscal year shall not fail to advance the ELT's Mission Principles, shall not risk financial jeopardy, and shall not be limited to a short-range perspective.

BP1.2.1 Sufficient Information

The Bishop shall not allow budgeting that contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, relation of expenditures to Mission Principles, and disclosure of multiyear planning assumptions.

BP1.2.2 Expenditures within Projected Funds

The Bishop shall not allow budgeting that plans the expenditure in any fiscal year of more funds than are reasonably projected to be received in that period, unless special circumstances are adequately described to the ELT including a realistic plan to use related surpluses or to make up the deficit within the following two fiscal years.

BP1.2.3 Asset and Cash Margins

The Bishop shall not allow budgeting that intentionally creates a debt to equity ratio of greater than 30% or allows cash and readily marketable securities or assets to drop below a safety reserve of less than three month's expenses.

BP1.2.4 ELT Funding

The Bishop shall not allow budgeting that provides less for ELT support than is adequate with reference to the Cost of Governance Principle, AP1.2.8.

BP1.2.5 Certification of Budget by the ELT

The Bishop shall not fail to bring the annual budget to the ELT prior to the start of the next fiscal year for certification as being in compliance with the Guiding Principles.

BP1.3 Financial Condition and Activities

With respect to the actual, ongoing financial conditions and activities, the Bishop shall not allow the development of fiscal jeopardy or a fundamental deviation of actual expenditures from the ELT priorities established in the Mission Principles.

BP1.3.1 Expenditures

The Bishop shall not expend more funds than have been received in the fiscal year to date unless existing surpluses allow or the Borrowing principle, BP1.3.2 is met.

BP1.3.2 Borrowing

The Bishop shall not borrow an amount greater than can be repaid by reliable, otherwise unencumbered revenues within twenty-four months, except for capital purchases.

BP1.3.3 Inter-fund Shifting

The Bishop shall not make inter-fund transfers in amounts greater than can be restored to a condition of discrete fund balances by reliable, otherwise unencumbered revenue within twelve months.

BP1.3.4 Payroll and Debt Settlement

The Bishop shall not fail to fulfill payroll and debt obligations in a timely manner.

BP1.3.5 Government Payments and Filings

The Bishop shall not allow tax payments, if any, or other government-ordered payments or filing to be overdue or inaccurately filed.

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BP1.3.6 Purchase Cap

Aside from staff, non-discretionary expenses, capital expenditures, and investments, the Bishop shall not authorize a single expenditure of greater than 1% of the annual budget.

BP1.4 Protection of Assets

The Bishop shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

BP1.4.1 Insurance

The Bishop shall not fail to insure against theft and casualty losses to at least 80% of replacement value and shall not fail to insure against liability losses to the ELT members, staff and the COTU-BIC, USA itself in an amount greater than the average for comparable organizations.

BP1.4.2: Access to Funds

The Bishop shall not allow personnel access to material amounts of funds without proper internal controls.

BP1.4.3 Facilities and Equipment

The Bishop shall not subject facilities and equipment to improper wear and tear or insufficient maintenance.

BP1.4.4 Liability

The Bishop shall not unnecessarily expose the organization, its ELT or its staff to claims of liability.

BP1.4.5 Purchases

The Bishop shall not authorize any discretionary purchase over \$5000 1) without prudent protections against conflict of interest; 2) without comparisons of prices and quality; and 3) if over \$10,000, without an analysis of long-term quality and cost.

BP1.4.6 Information Protection

The Bishop shall not fail to protect intellectual property, information, and files from loss or significant damage.

BP1.4.7 Auditor

The Bishop shall not receive, process, or disburse funds under controls that are insufficient to meet the standards of the auditor appointed by the ELT.

BP1.4.8 Investment Parameters

The Bishop shall not allow investments against the counsel of a qualified investment advisor, shall not hold operating capital in non-interest bearing accounts except when necessary to facilitate ease in operational transactions, and shall not allow investments plus cash to drop below the total of restricted fund balances.

BP1.5 Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Bishop shall not cause or allow jeopardy to fiscal integrity or public reputation.

BP1.5.1 Bishop's compensation

The Bishop shall not change his compensation and benefits, except as an automatic consequence of general policies for the staff.

BP1.5.2 Market Value

The Bishop shall not establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employee and from the economic value of the employee's performance to the organization.

BP1.5.3 Term of Compensation

The Bishop shall not promise or imply permanent or guaranteed employment, or create compensation obligations over a longer term than revenues can be safely projected and in all events subject to cancellation due to unexpected financial losses.

BP1.5.4 Fairness of Benefits

The Bishop shall not establish or change health or pension benefits in a manner to cause unpredictable or inequitable situations for staff.

BP1.6 Treatment of Staff

With respect to the treatment of paid and volunteer staff, the Bishop may not cause or allow conditions that are unfair or unlawful.

BP1.6.1 Personnel Policies

The Bishop shall not operate without concise personnel policies that clarify rules for staff, provide for effective handling of grievances, and protect against wrongful conditions such as grossly preferential treatment for personal reasons.

BP1.6.2 Grievance

The Bishop shall not prevent staff from expressing a grievance to the ELT when 1) internal procedures have been exhausted, and 2) the employee alleges *either* that the Guiding Principles have been violated to his or her detriment *or* that the Guiding Principles do not adequately protect his or her human rights.

BP1.6.3 Notice

The Bishop shall not fail to acquaint the staff with their rights according to Guiding Principles.

BP1.7 Communication with and Support to the ELT

The Bishop shall not permit the ELT to be uninformed or unsupported in its work.

Accountability Principles

(Whereby the ELT defines for the chairperson the standards to enforce the three accountabilities of the ELT)

AP1.0 Comprehensive Accountability Principle

The accountability of the ELT to the Lord Jesus Christ, for the benefit of the National Conference churches and their mission fields is to see that the staff, through the leadership of the Bishop, 1) achieves the Mission Principles, and 2) avoids violation of the Boundary Principles.

AP1.1 Accountability of the ELT to Christ and Constituents

The ELT shall maintain an active connection to those who have entrusted them with the denomination, i.e. Christ, the National Conference, member churches and other stakeholders.

AP1.1.1 Connecting with Christ

Under the guidance of the Bishop, the ELT will continually seek the wisdom and leading of Christ as the Lord of His church and of the denomination. To this end, the ELT will give significant attention to prayer and the study of Scripture pertaining to its current agenda.

AP1.1.2 Connecting with Member Churches

The ELT will receive input and feedback from member churches to better understand their needs. In the third year of the Bishop's term, the ELT will arrange an objective assessment by a competent outside consulting service. The ELT will also report to member churches regarding progress towards achieving its Mission Principles.

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AP1.1.3 Connecting with the National Conference

The ELT will invest resources to better understand the needs of the International UB church, our affiliated associations, our ministry partners and Huntington University; the interests of our supporters; and the needs of the communities and mission fields where are churches are seeking to fulfill the Great Commission.

AP1.2 Accountability of the ELT to Itself

The ELT shall conduct itself with discipline and integrity with regard to its own process of governance.

AP1.2.1 ELT Responsibilities

The governance responsibilities of the ELT are:

1. Connecting to Christ and Constituents
2. Establishing policy in the form of Guiding Principles
3. Achieving executive accountability by monitoring the Bishop's performance
4. Fulfilling fiduciary and all other legal responsibilities as required by state and federal law
5. Developing leaders for future board service
6. Developing current board members for more effective service
7. To insure Funding for the Vision
8. Achieving a minimum of two and no more than four board Ministry Objectives annually
9. "Visioneering" which consists of:
 - Vision Catching - staying with God and each other until His vision becomes clear
 - Vision Casting - insuring that all appropriate "publics" know and understand the vision and
 - Vision Keeping - insuring that the mission and vision drive all actions and decisions
10. Self evaluation based on:
 - A clear understanding of the District's mission and the board's relationship to the mission's achievement
 - A clear understanding of the board's mission, its functions, roles and relationships
 - A clear delineation of board objectives, goals and tactics as established in its Ministry Objectives for each year

11. In addition to these three governance responsibilities, the ELT shall exercise the authority granted to it through the Discipline and not delegated to the Bishop through the Guiding Principles. In addition to these essentials, the ELT shall exercise authority granted to it by state and federal law.

AP1.2.2 ELT Style

The ELT will govern with an emphasis on:

1. Outward vision rather than internal preoccupation.
2. Encouragement of diversity in viewpoints.
3. Strategic leadership more than administrative detail.
4. Clear distinction of ELT and staff roles.
5. Collective rather than individual decisions.
6. Future orientation rather than past or present.
7. Proactivity rather than reactivity.

AP1.2.3 ELT Member Code of Conduct

The ELT commits itself and its members to the following code of conduct:

a. *Loyalty.* Within the ELT each member must represent the mission of the COTUBIC USA in its totality and not the special interests of any group within the organization or outside it. Each member must also disclose any personal or organizational conflict of interest and withdraw from any decision-making process materially affected.

b. *Unity.* Members of the ELT must support the decisions of the ELT acting as a whole. They may not foster dissent or attempt to exercise individual authority over the staff or the organization except as explicitly stated in the Guiding Principles.

c. *Confidentiality.* Members of the ELT must respect the confidential nature of sensitive ELT

issues and must avoid gossip or other “triangulation” contrary to the practice of direct, Biblical resolution.

AP1.2.4 Criteria for Potential ELT members

- a. *Composition* of the ELT must comply with the Discipline, Chapter 18 Sections 541 to 545.
- b. *Candidates* for the ELT must evidence the capacity to perform the responsibilities (AP1.2.1), the disposition to embrace the style (AP1.2.2), and the commitment to honor the code (AP1.2.3) of the ELT.
- c. *Expertise* within the ELT should reflect a healthy mix of the following areas: governance, church leadership, global mission, finance, law, business or non-profit leadership, funding development, culture or marketing or sociology, public relations or conflict management, theology, and human resources. Areas of expertise not represented among ELT members will be obtained from outside resource persons as needed.
- d. *Diversity* of ethnicity and gender on the ELT is to be encouraged. Geographic diversity is ensured by compliance with the Discipline.

AP1.2.5 Chairperson, Bishop and Secretary

- a. The Chairman is responsible to enforce the Accountability Principles. The Chairman is authorized to use any reasonable interpretations of these principles to ensure that the ELT fulfills them.
- b. The Bishop is responsible to be the primary leaders and spokesman for the COTUBIC USA. With respect to the work of the ELT, the Bishop will provide the primary vision and guidance except for the monitoring of performance. If a question of process arises with regard to the Discipline or Guiding Principles, the Bishop will declare a judgment in consultation with the Chairman of the ELT.
- c. The Secretary is responsible to update and distribute the Guiding Principles, the minutes of meetings and any supporting materials of the ELT.

AP1.2.6 Policy Documents

- a. All policy of the ELT binding on itself or on the Bishop will be placed in the Guiding Principles, and not in other policy documents.
- b. Minutes of the meetings will record all decisions of the ELT, including decisions to revise the Guiding Principles.
- c. The limitation to these two forms of documentation is intended to ensure that a reading of the current Guiding Principles and of recent ELT minutes will reflect all the pertinent standing policies and decisions of the ELT respectively, without recourse to other documents.
- d. The chain of policy documents is as follows: Discipline, by which the National Conference instructs the ELT; Guiding Principles (including appendices), by which the ELT instructs the Bishop; and staff policies, by which the Bishop instructs the staff.

AP1.2.7 Use of Support Committees or Teams

Any committees or teams, if used, will be assigned to tasks within the Responsibilities of the ELT (AP1.2.1) and not to involvement with the work of the Bishop or staff; this principle includes an Executive Committee if used.

AP1.2.8 Cost of Governance

The ELT shall not approve any annual budget that does not invest sufficiently in its own governance capacity through training, outside expertise, research, communications, and meeting costs.

AP1.2.9 Tools for Efficiency

The ELT will utilize an annual calendar cycle to schedule its responsibilities (AP1.2.1), meeting agendas that facilitate training and responsibilities, routine consent agendas for items delegated to the Bishop but legally requiring an ELT vote, and advance preparation documents for major decisions.

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AP1.3 Accountability of the Bishop to the ELT

The ELT's sole official connection to the operating organization of the COTUBIC USA, its achievement, and its conduct shall be through the Bishop.

AP1.3.1 Unity of Control

Only decisions of the ELT acting as a whole and documented in the Guiding Principles or the minutes of the ELT meetings are binding on the Bishop.

AP1.3.2 Accountability of the Bishop

The Bishop is the ELT's only link to operational achievement and conduct, so that all authority and accountability of the staff, as far as the ELT is concerned, is considered the authority and accountability of the Bishop.

AP1.3.3 Instruction to the Bishop

The ELT will instruct the Bishop through the Mission Principles, which prescribe the outcomes to be achieved, and through the Boundary Principles, which limit the acceptable means to those outcomes. The ELT will allow the Bishop to use any reasonable interpretation of these principles.

AP1.3.4 Performance of the Bishop

The ELT will conduct systematic and objective monitoring of the Bishop's performance solely against accomplishment of the Mission Principles, which prescribe the outcomes to be achieved, and through the Boundary Principles, which limit the acceptable means to those outcomes. The ELT will allow the Bishop to use any reasonable interpretation of these principles.

a. The Bishop will be required to write measurable goals each year that correspond to each of the ELT's Mission Principles.

b. Each year the ELT shall review the results achieved by the Bishop on each of the Missions Principles as the basis of compensation increase or corrective action. These results include both those achieved with reference to annual goals and those achieved in addition to annual goals.

c. The Bishop will be required to report to the ELT on compliance to the Boundary Principles at each annual performance review and to affirm or give evidence of compliance upon request by the ELT at any time.

AP2 ELT Accountability to the Bishop

Accountability between the ELT and the Bishop is reciprocal. The ELT holds the Bishop accountable for the achievement of specific, mutually agreed upon ministry objectives and the non-violation of Boundary Principles (AP1.3.4). The ELT is accountable to the Bishop in specific areas as outlined below.

AP2.1 Moral and Spiritual Integrity

The ELT as a body and its individual members shall conduct themselves in all arenas of life with a high standard of biblical, theological and moral integrity.

AP2.2 Non-violation of AP Principles

The ELT as a body and its individual members shall not violate any of the Accountability Principles.

AP2.3 Annual Board Achievement

The EMT will achieve specific, annual objectives and goals. These goals and objectives will be agreed upon in a process led by the Bishop.

AP2.4 Resourcing of Bishop

The ELT will in all appropriate ways, empower and resource the Bishop for success in achieving his annual Ministry Objectives.