

# Board Governance in Churches: So Who's in Charge, Anyway?

By Stan Reiff, Partner

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Church “polity” often defines your church’s structure, board roles, and responsibilities. If you are a church board member, it’s critical that you understand the role of your church governing body in relation to your church polity in order to help you understand your role and responsibilities.

The last thing you need as a board member is to discover that you have violated your fiduciary responsibilities and the church now has legal or financial exposure due to negligence. The best practices outlined below will help ensure effective board governance and protect both you and your church.

## Church Governance Overview

It’s helpful to start with an understanding of the different types of church governance. Below is a brief description of some of the many forms of governance found in churches. (Ask your church leadership for more information about your church’s unique theological and governance framework.)

*Pastor-led* – Pastor-led churches typically have a strong pastor leader with a small board of elders that provides accountability to the pastor.

*Board led* – In a board-led church, the board is self-perpetuating. The board selects the pastor and votes on his continuing to serve the congregation.

*Congregational* – In a congregational model, many or most decisions regarding the functioning of the church are made in a congregational setting, with members voting on decisions. This may include hiring and firing pastors and setting budgets, compensation, programs, capital expansion, and more.

*Presbyterian polity* – A method of church governance set apart by the rule of assemblies of presbyters, or elders.

*Episcopal polity* – A hierarchical form of church governance in which the chief local authorities are bishops.

*Connexionalism polity* – This type of governance is characterized by a strong central organization that holds an annual conference. The connexion is further divided into districts in the charge of a bishop or similar title. Ministers are assigned to congregations by bishops and lay members are given representation at regional meetings.

It’s also important to take time to review your church’s most recent governance documents. As cumbersome as they can be, this will help you ensure that your board is leading and operating in agreement with the church charter, by-laws, and other governing documents. You should periodically schedule time to review and determine that:

1. Your governing documents are up to date, and
2. You are operating in conformity with those documents (i.e. size of governing body, rotation and elections, decision-making authorities, having a board policy manual, performing board self-assessments, etc.)

Fiduciary duties are vital in any model, including the duties of care, loyalty, and obedience. Care involves the engagement of the individual and the functioning of members that is prudent and avoids negligence. Loyalty involves serving with devotion to protect the church rather than any conflicted or personal interests. Obedience involves serving within the scope of responsibilities set forth in the charter or governing documents, or both, to be sure that the legal and operational precedents are faithfully followed.

## Church Board vs. Staff: You’re All on the Same Team

Now that you know and understand the technical governance framework for your church, you’ll have a better understanding of the roles and responsibilities of each board member.

As a board member, you should invest in the following activities to ensure that everyone is on the same page,

has role clarity, and understands their individual and collective responsibilities:

- Build personal relationships with other board members to get to know their personalities, experiences, skills, knowledge, and passion. Learn how they can best contribute to the board.
- Invest time and resources in board training. Determine what each board member needs to know about your church governance structure, church operations, and best practices for churches. Serving on the board of a church comes with unique responsibilities and requirements. Don't assume your board members automatically know what it takes to do this job.
- Clearly communicate the vision and mission of the church by establishing a framework for the goals and objectives for the year. Provide sufficient opportunities for the board to participate in planning and problem solving for the congregation.
- Genuinely solicit feedback from different board members so they feel that they are contributing and making a difference.
- Be authentic and transparent about what is not working, where the pain points are, and where the congregation and its leadership are vulnerable. Remember that you are all on the same team and need to help each other.
- Understand the history behind why certain decisions or policies were made and decide whether they are still relevant to your church today. There is a story of a young woman who cut off the end of a ham and threw it away before she baked it. One day her husband asked her why she threw out a perfectly good piece of ham. She said, "I watched my mother do it that way for years, but I don't know why." So she asked her mother why she did it and the mother replied, "I don't know... that's the way my mother did it." Then the young woman asked her grandmother why she cut off the end of the ham and the grandmother replied, "Because my pan was too small to fit the entire ham."

### **Bring Your Skills and Experience to the Table**

As a board member, it's important to bring all of your experience, knowledge, and skill to the leadership/governance table. The board needs your business savvy and experience in its discussions. Many financial and business decision-making principles apply in the church, with proper context. If you would not make a particular decision for your business or profession, why would you make it for the church?

Many churches over-leverage their financial health with debt loads that strain present or future ministry opportunities. Avoid jeopardizing the stability of your church's ministries by maintaining adequate operating

cash reserves. Trust your business instincts, lean into your experience, and make that an important part of the conversation in the church board room.

It's also important to ensure that your church is in compliance with all regulatory and governmental agencies. Too many times churches and their boards do not take this seriously. Are you aware of, and in compliance with, fire and safety regulations for your facility? Is someone responsible for making sure all inspections are scheduled and deficiencies are corrected in a timely fashion?

Does your church have a coffee shop? [Bookstore](#)? Cell phone tower? Rent out the parking lot during the week or generate any other revenue beside Sunday morning tithes and offerings? If so, have you evaluated the sources of income to determine if any of this additional revenue is considered unrelated business income? This can be complex, so we suggest that you get [professional guidance](#) on this topic. Lack of knowledge or negligence is not an acceptable response. You as a board member have a fiduciary responsibility to respond as any reasonable prudent individual would in the course of conducting business.

### **Measuring Performance and Success**

It's important to measure both the outcomes that are important to your church and the activities that lead to the desired results. Even in a church world where everything is "spiritual," not every activity is spiritual and spiritual results are not automatic. It is important to break the activities of both church staff and church volunteers down into measurable steps. Then monitor these steps to ensure that the resources and activities you are engaged in are consistent with what is important to your congregation and aligned to truly get the results you are looking for. Develop some early measurements (also called leading indicators) to ensure that you can anticipate what your results will be. These leading indicators should align with overall measurements to help your church achieve what is important.

### **Inspect What You Expect as a Church Board Member**

Once you have defined what a successful church ministry looks like for your congregation, as part of the church leadership team you should periodically monitor the results of what you are tracking. For example, if assimilation of new families into your congregation is important, have you designed a monitoring report that helps you track when new families arrive as guests, return, become regular attendees, get involved in small groups or Sunday school, and even begin to serve? As part of the transformation of a first-time guest into a fully devoted follower of Christ, are you measuring not only the guest's engagement in training and service, but also their

financial stewardship? Your church may choose to track measures such as the amount of time it takes for a first-time guest to become a regular attendee, give their first gift, and then give their second gift.

These kinds of measurements will provide church board members with invaluable information on how well the church is turning guests and new attendees into engaged disciples who are committed to the vision and mission of the local church. These all contribute to the health of a growing congregation and to ensuring that it has the resources, in terms of both people and finances, to achieve its mission.

A firm understanding of church governance and your role and responsibility as a church board member will help you act as an effective steward and guide your church toward greater ministry work.

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## About the Author

### Stan Reiff, Partner

Professional Practice Leader - Consulting

sreiff@capincrouse.com

o 678.518.5301, ext. 260

c 678.521.0182

Stan's professional experience includes over 30 years in ministry operations, public accounting, government accounting, and missions. He provides strategic leadership of the firm's professional advisory and consulting services.

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