

`STANDING RULES AND POLICIES
of
HOLY CROSS LUTHERAN CHURCH OF LOS ALAMITOS, CALIFORNIA
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These Rules and Policies are established in conformance with Article VII of the Bylaws.

I. The Board of Directors

The Board of Directors shall perform the duties as described below to carry out the business of the Congregation as instructed by the voting membership and the Constitution and Bylaws. The duties of individual Directors and their Commissions as follows:

- A. **CHAIRMAN OF THE BOARD OF DIRECTORS.** The Chairman of the Board of Directors shall be responsible for planning and conducting all regularly scheduled and special meetings of the Board of Directors and of the congregation. He shall work closely with the Pastor and all the Directors, being cognizant of their needs and duties, such that he may coordinate and support their activities to accomplish Christ's ministry at Holy Cross. He shall be responsible to see that each Director and his Commission are carrying out their duties as specified by the Constitution and Bylaws. As an official representative of the congregation, he shall be aware of the objectives and purposes of the church's ministry and make decisions accordingly. Because he is a key church leader, he shall carry out his responsibilities with the highest Christian principles and ethics.
- B. **CHIEF ELDER.** It shall be the duty of the Chief Elder and his Commission to watch over the doctrine, life and administration of the office of Called Personnel; to see to it that they are treated with due respect and hence, also that the congregation fulfills its duty toward them with respect to their physical needs in accord with the Word of God and their respective calls. It shall be the Elders' responsibility to assist the Pastor; in the planning of worship and provide for services in the absence of the Pastor; to assist in maintaining order and discipline in the congregation and assist the Pastor with their counsel in difficult ministerial cases. They shall keep official lists of communicant and baptized members. The Commission shall seek to lead the members in the deepening of their personal worship experiences and in regular participation in worship.
- C. **DIRECTOR OF PROPERTY.** The Director of Property and his/her Commission shall see to the maintenance, protection, and improvement of all property of the congregation, shall provide for necessary service to all equipment, and shall enlist and supervise the services of the custodial and volunteer workers. They shall supervise the use of the congregation's buildings and equipment and shall regulate the issuance of keys for the same. The Director shall maintain a running inventory of the equipment owned by the congregation and shall provide for insurance for the congregation's property.
- D. **DIRECTOR OF FINANCE.** The Director of Finance shall record and be responsible for depositing all income of the congregation. He/she shall order and provide offering envelopes for communicant members, shall record contributions received through such envelopes and shall submit quarterly statements to the persons using said envelopes. He/she shall report all income to the Treasurer each week, and shall submit his/her records for audit when requested by the Auditing Committee. In consultation with the Board of Directors, he/she shall appoint Tellers to count the offerings. He/she shall furnish the congregation with a fidelity bond in an amount determined by the Board of Directors and paid by the congregation.
- E. **DIRECTOR OF STEWARDSHIP.** The Director of Stewardship and his/her Commission shall study and promote the expression of Christian Faith in daily living and in the corporate life of the Congregation. They shall teach the Christian use of money and shall lead members to higher levels of proportionate giving. They shall plan and enlist participation in every-member stewardship programs that may occur. The Commission shall integrate new members into the life of the congregation and shall enlist the talents of members in the various aspects of the church's ministry. They shall assist the Pastor at his/her request in seeking to regain the interest and participation of members who have absented themselves from Church activities.
- F. **DIRECTOR OF YOUTH.** The Director of Youth and his/her Commission shall work closely with the Pastor and Youth Pastor in planning and supervising the youth-oriented activities of the congregation. They shall be responsible for supervising and developing a spiritual and social program designed to meet the needs of the young people of our congregation and integrate them into the life of the Church.
- G. **DIRECTOR OF CHRISTIAN EDUCATION.** The Director of Christian Education and his/her Commission (in association with the Pastor) shall supervise the conduct and operation of the Christian Day School, the Preschool and Day Care. The Board of Christian Education (BOCE) shall make recommendations to the Board of Directors in the procurement of teachers. The BOCE shall provide for adequate supplies, equipment, and facilities, and regular

evaluation of the Congregation's educational program in light of current trends. They shall make themselves aware of the recommended procedures and materials for a relevant educational ministry. The Principle of the Christian Day School and Director of Preschool shall be ex-officio members of the BOCE and will serve as advisors but without voting rights. The BOCE shall review and make recommendations to the Board of Directors relative to salaries for all members of the staff of the Christian Day School, Preschool and Day Care.

- H. **DIRECTOR OF PARISH MINISTRIES.** The Director of Parish Ministries and his/her commission shall be responsible to promote and provide opportunities for the people of Holy Cross Church and School and our community to be nurtured in Christian education and fellowship. The Commission shall supervise and conduct the operation of the Sunday School, Adult Bible Class, Confirmation Classes, Vacation Bible School, Prayer Ministry and other education ministries with the exception of the Christian Day School, Preschool, and Day Care. This shall include regular evaluation of the spiritual education needs of the Congregation. They shall encourage youth and adults to study individually and in groups the Bible and the relationship of the Christian faith to current issues and problems. It shall pass upon the qualifications of teachers for appointment to serve Sunday School, Bible classes, Confirmation classes, Vacation Bible School, and other part time educational agencies of the Congregation. The Superintendent of the Sunday School shall be an ex-officio member of the Commission.

The Director and his/her Commission shall be responsible for the formulation of groups within the Congregation whose members have common interests and goals, whether for service or social activities which will promote the well being of the individual members as well as the Church as a whole. The Director shall research the needs of individual members, the other Directors, and the Pastor in order to determine what activities and services are required to better support the Church and its desire to further the Kingdom of God. Accordingly, The Director shall establish clubs (such as those for women, singles, and young couples), recreational activities, and special events.

- I. **DIRECTOR OF PLANNING.** It shall be the duty of the Director of Planning and his/her Commission to study, develop and promote, with the cooperation of the Board of Directors the immediate and long-range plans and goals of the congregation. They shall be responsible for the building programs of the congregation and negotiation of architectural and building contracts for Board approval. They shall be responsible for the public relations work of the congregation and supervise the publicity and promotion of the congregation in the community and Synodical publications.
- J. **DIRECTOR OF USHERS.** It shall be the duty of the Director of Ushers and his/her Commission to develop and supervise the training of the ushers for Worship and special services. They shall provide for traffic direction when necessary and assist in the orderly conduction of services. They shall welcome members and guests and provide for their convenience at services.
- K. **DIRECTOR OF EVANGELISM.** The Director of Evangelism and his/her Commission shall encourage a personal witness of the congregation. They shall study and promulgate a greater understanding of the mission and ministry of the individual Christian, the congregation and the Christian church. They shall plan and enlist participants in concerted efforts to reach the unchurched with the Gospel and to win them to Christ's Church, and shall seek to regain former members who have alienated themselves from the Church. They shall provide for the visitation and welcoming of all guests and visitors to our congregation.
- L. **DIRECTOR OF HUMAN RESOURCES.** The Director of Human Resources shall be the single coordinator for all staff related issues, whether staff is Called, at will, or contract. The Director of Human Resources may form a commission, at his/her discretion, to assist in this function, but the Director of Human Resources will be the only authoritative source for staff-related issues. These issues will include, but are not necessarily limited to: salaries, wages, allowances, and other compensation; medical, dental, vision, life, and other insurance plans; employer-and/or staff funded pension and other retirement plans; and all other staff related elements as are contained in the "Holy Cross Lutheran Church and School Staff Handbook". This responsibility will consist of collecting information from and disseminating information to staff; identifying, comparing, and recommending staff benefits to the Board of Directors to serve the best interests of Holy Cross Lutheran Church and its staff; seeking advice for and providing advice to the Board of Directors on all staff-related matters; acting as the single point of contact between the staff and the Board of Directors on all staff-related matters; maintaining all staff-related records including all legally required forms and other documents; and maintaining and publishing the "Holy Cross Lutheran Church and School Staff Handbook". The Director of Human Resources shall also serve as the legal representative of Holy Cross Lutheran Church and the Board of Directors for all legal matters relating to staff and, as informed and directed by the Board of Directors, shall have full authority to convey and communicate all necessary and appropriate information to such other agencies, organizations, and individuals as may be required by law. For such purpose(s), the Director of Human Resources shall also be designated the official Custodian of Records for all staff related records.

- M. **THE TREASURER.** The Treasurer shall disburse the funds of the congregation in accordance with the budget and as directed by the proper persons. He/she shall be responsible for the prompt payment of salaries and bills and for monthly remission of funds designated for the District. He/she shall report monthly to the Board of Directors, indicating receipts, expenditures, and the condition of the budget. He/she shall make semi-annual financial reports to the Congregation at the regular second and fourth quarter meetings. He/she shall submit his/her records for audit when requested to do so by the individual directors for inclusion in the General Budget for presentation to the Congregational meeting during the second quarter. He/she shall provide the congregation with a fidelity bond in an amount determined by the Board of Directors and paid for by the congregation.
- N. **SECRETARY.** The Secretary shall record and keep permanent minutes of the meetings of the congregation and the Board of Directors, and shall conduct correspondence authorized by the congregation and/or Board of Directors. He shall record all amendments on a master copy of the Constitution and Bylaws, and he/she shall be the custodian of the valuable papers of the congregation.
- O. A **VICE-CHAIRMAN** shall be elected as provided in Article IV of the Bylaws to conduct the meetings of the congregation and Board of Directors and to act as the official representative of the congregation where this representation is deemed necessary by the Board of Directors.

II. THE CALL PROCESS

The right to call ordained and commissioned ministers and all other rostered members of The Lutheran Church—Missouri Synod (“Synod”) is solely vested in the Congregation by the Constitution (Articles V and IX). To accomplish the call process in a Christian manner, in good order, and to the glory of God, the following procedures will be followed:

A. Calling Ministers of Religion-Ordained in a Pastoral Role

The Chairman, in consultation with the Board of Directors, will form a Search Committee with the responsibility for seeking, evaluating, and selecting one or more candidates to present to the Congregation for the extension of a call. All voting members of the Congregation may submit recommendations to the Search Committee for inclusion in the list of candidates to be considered. The Search Committee is not obligated, however, to consider these recommendations if the Committee’s progress has already arrived at a slate of candidates to actively evaluate.

All discussions, meetings, and deliberations of the Search Committee related to this purpose are confidential and will not be discussed with or communicated to any person(s) outside the membership of the Search Committee. The progress and status of the Search Committee’s efforts, in general terms, are information that can and should be shared with any and all members of the Congregation interested in that information. The name(s), background(s), or other personal information relating to any candidate(s) are not to be discussed with or communicated to any person(s) outside the membership of the Search Committee.

Once the Search Committee has arrived at one or more candidates to whom they believe a call should be extended, the candidate(s) will be presented to the Board of Directors along with a brief summary of each candidate’s background and experience. The Board of Directors, in consultation with the Search Committee, will prepare a compensation package deemed suitable and appropriate for each candidate. The Board of Directors will then call a special Congregational meeting (see Article III A of the Constitution) to present the candidate(s) along with a brief summary of each candidate’s background and experience, as well as the recommended compensation package, to the Congregation for the Congregation’s consideration and decision to extend a call or not. If, however, a regular Congregational meeting is scheduled to take place before or in the same timeframe as a special meeting could be called, the Board may add Congregational consideration of the candidate(s) to the order of business of that regular meeting.

During the Congregational meeting, special or regular, to consider the candidate(s) presented by the Search Committee and Board of Directors, no motions concerning a candidate or any other person not presented by the Search Committee and Board of Directors shall be in order. Only the candidate(s) presented by the Search Committee and Board of Directors may be extended a call during that meeting.

If the Congregation determines to call the candidate(s) under consideration, the Board of Directors, in consultation with the Search Committee, will prepare the necessary and appropriate calling documents and communicate these in the most effective manner to the candidate(s) to be called. If the candidate(s) agree to be called, the call process concludes and the Search Committee is discharged.

If the Congregation determines not to call the candidate(s) under consideration, or if the candidate(s) to be called declines the call, the call process begins again. The Chairman, in consultation with the Board of Directors, may elect to form a new Search Committee or re-charge the existing Search Committee to recommence the call process.

B. Calling Ministers of Religion-Commissioned in a Teaching Role

The Chairman, in consultation with the Board of Directors, will charge the Board of Christian Education ("BOCE") with the responsibility for seeking, evaluating, and selecting one or more candidates to present to the Congregation for the extension of a call. All voting members of the Congregation may submit recommendations to the BOCE for inclusion in the list of candidates to be considered. The BOCE is not obligated, however, to consider these recommendations if the Committee's progress has already arrived at a slate of candidates to actively evaluate.

All discussions, meetings, and deliberations of the BOCE related to this purpose are confidential and will not be discussed with or communicated to any person(s) outside the membership of the BOCE. The progress and status of the BOCE's efforts, in general terms, are information that can and should be shared with any and all members of the Congregation interested in that information. The name(s), background(s), or other personal information relating to any candidate(s) are not to be discussed with or communicated to any person(s) outside the membership of the BOCE.

Once the BOCE has arrived at one or more candidates to whom they believe a call should be extended, the candidate(s) will be presented to the Board of Directors along with a brief summary of each candidate's background and experience. The Board of Directors, in consultation with the BOCE, will prepare a compensation package deemed suitable and appropriate for each candidate. The Board of Directors will then call a special Congregational meeting (see Article III A of the Constitution) to present the candidate(s) along with a brief summary of each candidate's background and experience, as well as the recommended compensation package, to the Congregation for the Congregation's consideration and decision to extend a call or not. If, however, a regular Congregational meeting is scheduled to take place before or in the same timeframe as a special meeting could be called, the Board may add Congregational consideration of the candidate(s) to the order of business of that regular meeting.

During the Congregational meeting, special or regular, to consider the candidate(s) presented by the BOCE and Board of Directors, no motions concerning a candidate or any other person not presented by the BOCE and Board of Directors shall be in order. Only the candidate(s) presented by the BOCE and Board of Directors may be extended a call during that meeting.

If the Congregation determines to call the candidate(s) under consideration, the Board of Directors, in consultation with the BOCE, will prepare the necessary and appropriate calling documents and communicate these in the most effective manner to the candidate(s) to be called. If the candidate(s) agree to be called, the call process concludes and the BOCE is discharged.

If the Congregation determines not to call the candidate(s) under consideration, or if the candidate(s) to be called declines the call, the call process begins again. The Chairman, in consultation with the Board of Directors, will re-charge the BOCE to recommence the call process.

C. Calling Other Rostered Members of Synod in Other than a Pastoral or Teaching Role

The Chairman, in consultation with the Board of Directors, will charge an existing commission or form a new committee ("Seeking Body") with the responsibility for seeking, evaluating, and selecting one or more candidates to present to the Congregation for the extension of a call. All voting members of the Congregation may submit recommendations to the Seeking Body for inclusion in the list of candidates to be considered. The Seeking Body is not obligated, however, to consider these recommendations if the Committee's progress has already arrived at a slate of candidates to actively evaluate.

All discussions, meetings, and deliberations of the Seeking Body related to this purpose are confidential and will not be discussed with or communicated to any person(s) outside the membership of the Seeking Body. The progress and status of the Seeking Body's efforts, in general terms, are information that can and should be shared with any and all members of the Congregation interested in that information. The name(s), background(s), or other personal information relating to any candidate(s) are not to be discussed with or communicated to any person(s) outside the membership of the Seeking Body.

Once the Seeking Body has arrived at one or more candidates to whom they believe a call should be extended, the candidate(s) will be presented to the Board of Directors along with a brief summary of each candidate's background and experience. The Board of Directors, in consultation with the Seeking Body, will prepare a compensation package deemed suitable and appropriate for each candidate. The Board of Directors will then call a special Congregational meeting (see Article III A of the Constitution) to present the candidate(s) along with a brief summary of each candidate's background and experience, as well as the recommended compensation package, to the Congregation for the Congregation's consideration and decision to extend a call or not. If, however, a regular Congregational meeting is scheduled to take place before or in the same timeframe as a special meeting could be called, the Board may add Congregational consideration of the candidate(s) to the order of business of that regular meeting.

During the Congregational meeting, special or regular, to consider the candidate(s) presented by the Seeking Body and Board of Directors, no motions concerning a candidate or any other person not presented by the Seeking Body and Board of Directors shall be in order. Only the candidate(s) presented by the Seeking Body and Board of Directors may be extended a call during that meeting.

If the Congregation determines to call the candidate(s) under consideration, the Board of Directors, in consultation with the Seeking Body, will prepare the necessary and appropriate calling documents and communicate these in the most effective manner to the candidate(s) to be called. If the candidate(s) agree to be called, the call process concludes and the Seeking Body is discharged.

If the Congregation determines not to call the candidate(s) under consideration, or if the candidate(s) to be called declines the call, the call process begins again. The Chairman, in consultation with the Board of Directors, may elect to form a new Seeking Body, charge an existing commission, or re-charge the existing Seeking Body to recommence the call process.

III. Granting of College Scholarships

The Board of Directors has the sole authority to grant college scholarships that are to be paid from Holy Cross Lutheran Church unrestricted funds. Such scholarships will only be considered for college students that are members or relatives of members of Holy Cross Lutheran Church to attend one of the colleges or universities comprising the Concordia University System of The Lutheran Church—Missouri Synod. The request for such a scholarship must be made by a member of Holy Cross Lutheran Church for each academic year. The flat amount of each scholarship is \$1,000 per academic year per student and a maximum of three(3) scholarships will be awarded for any single academic year. All scholarships are single-year only and not an on-going commitment of support. Scholarships will be granted on a first-come, first-served basis except that first preference will be given to students expressing an intent to enter professional church service. The Board of Directors may, at its sole discretion, increase or decrease the amount or number of scholarships granted should circumstances arise and as funds permit or limit.

IV. Holy Cross Lutheran School Registration, Tuition, and Other Rates

The Board of Christian Education (“BOCE”) will recommend registration, tuition and other applicable rates for students attending Holy Cross Lutheran School to the Board of Directors. The Board of Directors may approve, reject, and/or modify the recommendations of the BOCE. The Board of Directors has sole authority to approve for publication and implementation all registration, tuition and other applicable rates for students attending Holy Cross Lutheran School. No other party, person, or body may directly or indirectly approve, modify, or implement any rate under the authority of the Board of Directors. Any rate quoted or published without the express prior approval of the Board of Directors is of no effect and shall not constitute an obligation on Holy Cross Lutheran Church or Holy Cross Lutheran School.

V. Holy Cross Lutheran School Scholarships

The Board of Christian Education (“BOCE”) will form a standing Scholarship Committee whose members will include the Principal and Senior Pastor. All requests for financial aid, scholarships, or other reductions in established rates (hereinafter “the scholarship”) must be submitted to the Scholarship Committee. Any and all information that would identify the person(s) requesting the scholarship will be redacted by the Scholarship Committee prior to subsequent processing of the scholarship outside the Scholarship Committee.

The Scholarship Committee will receive the scholarship requests, review them with all due diligence, and recommend to the BOCE denial or approval with a recommended amount. The BOCE will review the recommendations of the Scholarship Committee and determine whether to accept the recommendations, reject the recommendations, or modify the recommendations. Accepted and modified recommendations will be brought by the BOCE to the Board of Directors for approval. The Board of Directors has sole authority to grant the scholarship(s). No other party, person, or body may directly or indirectly provide or permit a reduction in established rates for any reason whatsoever.

VI. Board of Directors Actions via Electronic Communications

From time to time, action may be required by the Board of Directors that is of such a nature as to require immediate attention and/or decisions and it is impractical to await a regular or convene a special meeting of the Board of Directors. In such an instance, as determined by the Chairman or the Vice Chairman in his absence, it is permissible to inform the Directors of the issue(s) at hand, the action(s) to be taken, and to obtain their approval or disapproval of the proposed action(s) by means of electronic communications including, but not limited to, electronic mail (email) and voice teleconference (telcon). Such decisions and actions reached and taken by electronic means shall be as valid and binding as those reached and taken at a regular or special meeting of the Board of Directors.

- A. **ELECTRONIC MAIL (EMAIL).** The Chairman, or the Vice Chairman in his absence, will send an email to all Directors with an email account. If the number of such Directors is less than the number required for a quorum of the Board, this method is not acceptable. The email shall provide all pertinent information and propose the decision(s) to be reached and/or the action(s) to be taken. Directors are to reply with their vote using the "Reply to All" feature, if available, of their email client/service so that all members of the Board of Directors receive every other members' response directly. Once the number of replies received by the Chairman, or the Vice Chairman in his absence, reaches at least the number of Directors required for a physical quorum of the Board of Directors, sufficient replies have been received to determine the outcome. A majority vote of the replies received will determine the outcome. Disputes as to the replies, results, and/or outcomes will be decided by the Chairman, Vice Chairman, and Secretary.
- B. **VOICE TELECONFERENCE (TELCON).** The Chairman, or the Vice Chairman in his absence, will inform all Directors in the most expeditious and effective manner of the date, time, call-in number, and subject matter of the telcon. The Chairman, or the Vice Chairman in his absence, will initiate and control the telcon. Once the number of Directors calling in has reached at least the number of Directors required for a physical quorum of the Board of Directors, sufficient participants have been reached to determine an outcome. All other rules pertaining to a regular or special meeting of the Board of Directors will apply to a telcon, including the determination of the outcome by vote.

VII. Execution of Contracts

The authority to execute an instrument which legally binds Holy Cross Lutheran Church (the corporation and/or Congregation) in any manner or matter is expressly limited to the three corporate officers as defined in the Articles of Incorporation: the President (Chairman), Secretary, and Treasurer. Unless otherwise specified by the instrument, any single corporate officer may execute that instrument. If called for by the instrument, additional signatories are permitted so long as at least one of the specified corporate officers also executes the instrument. None of these corporate officers shall execute any instrument without the prior notification of the other such officers, in as far advance of the execution as is practical under the prevailing circumstances. No instrument may be properly executed that exceeds the extant authority of the Board of Directors to encumber or otherwise obligate the Congregation.

VIII. Processing of Expenditures

The processing of expenditures for and on behalf of Holy Cross Lutheran Church, Holy Cross Lutheran School, Holy Cross Early Childhood Education Center, or any other of Holy Cross' subordinate organizations or ministries will be conducted in the following manner:

- A. **UNRESTRICTED EXPENSES.** These are expenses drawn from and paid by the General Fund (that income whose purpose is not specified for other than the general operations of Holy Cross). Unrestricted expenses are divided into:
 - 1. **DISCRETIONARY EXPENSES.** Those expenses not required by properly executed contracts, government mandate, or other legal obligations. Examples of discretionary expenses include, but are not limited to, purchases such as office supplies, textbooks, advertisements, signage, and the like. All discretionary expenses must have the prior, written approval of the Director under whose budgetary authority the expenditure would be made AND the Treasurer. No invoice will be paid that does not have such prior, written approval. Any staff member making any discretionary purchase on behalf of Holy Cross without such prior, written approval will be liable for any and all charges arising from such purchase up to and including the full amount of the purchase.
 - 2. **NON-DISCRETIONARY EXPENSES.** Those expenses required by properly executed contracts, government mandate, or other legal obligations. Examples of non-discretionary expenses include, but are not limited to, staff payroll and benefits, utilities, contracted services, taxes, loan service, and the like. By their nature, these expenses have been previously authorized and approved. Therefore, they will be processed upon presentation or by a previously determined schedule.
- B. **RESTRICTED EXPENSES.** These are expenses drawn from and paid by the Restricted Fund (that income whose purpose has been specified for other than the general operations of Holy Cross). All restricted expenses must be fully funded, with all funds properly deposited into Holy Cross accounts, prior to their processing and have the prior, written approval of the Director under whose authority the purpose of the expense lies AND the Treasurer.
- C. **PREPARING CHECKS.** Checks are prepared once each week on Thursday and are available the following Friday. Requests for checks and/or invoices, including the written approvals indicated above, must be received by 5:00pm on the preceding Wednesday in order to be processed that Thursday. Requests for checks and/or invoices received after that time will be processed the following week. Requests for checks and/or invoices that do not have the written approvals indicated above WILL NOT BE PROCESSED. The Treasurer, at his/her sole discretion, may make exceptions to the check-writing schedule should circumstances warrant.