

**BOARD OF DIRECTORS
THE LUTHERAN CHURCH—MISSOURI SYNOD**

**Crowne Plaza Airport Hotel, St. Louis
May 16–17, 2014**

46. Call to Order, Opening Devotion

Chairman Michael Kumm called the meeting to order with all members present except Christian Preus, due to the illness of his brother. Victor Belton, who served as devotion and prayer leader for the meeting, provided the opening devotion.

47. Adoption of Agenda

Chairman Kumm called attention to the proposed agenda for the meeting. A motion to adopt the agenda as presented was introduced and, without discussion, carried.

48. Adoption of Consent Agenda

Chairman Kumm called attention to the following consent agenda resolution submitted by Chief Administrative Officer Ronald Schultz. After brief explanation, the resolution was formally introduced and adopted, as follows.

WHEREAS, The Board of Directors has adopted a consent agenda policy which reads:

3.6.2 Consent Agenda

- 3.6.2.1 The Board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time to education and discussion of substantive issues.
- 3.6.2.2 The consent agenda should consist of routine matters that require board action. Typically, these items include approval of minutes, acceptance of officer and other written reports (excluding the quarterly financial/budget report), and acceptance of routine or non-controversial action items.
- 3.6.2.3 The board chair shall be responsible to approve the proposed consent agenda for each meeting upon recommendation of the Chief Administrative Officer. The consent agenda shall be distributed with the meeting docket no less than one week prior to the meeting. The consent agenda will be presented to the board for adoption as soon as practicable after the opening devotion on the first day of the meeting.
- 3.6.2.4 Any item which appears on the consent agenda may be removed from the consent agenda by a member of the Board. Items removed from the Consent Agenda will be considered at another time during the meeting as determined by the Chairman. The remaining items will be voted on by a single motion. The approved motion will be recorded in the minutes, including a listing of all items appearing on the consent agenda.

Therefore be it

Resolved, That the Board of Directors herewith accept the following reports and committee minutes (attached to the protocol copy of these minutes):

Officer Reports:	Report of the President
	Report of the First Vice-President
	Report of the Secretary
	Report of the Chief Administrative Officer
	Report of the Chief Financial Officer
	Report of the Chief Mission Officer

Administrative Services Reports: General Services
 Information Technologies
 Human Resources (*confidential*)
 Financial Services
 Accounting
 Internal Audit
 Board of Directors Committees
 Governance Committee
 Personnel Committee
 Ad Hoc Retreat Program Committee

And be it further

Resolved, That the Board of Directors herewith adopt the following action items:

1. 3.6.2 Consent Agenda Policy Revision
2. Net Assets Designation for National Youth Gathering
3. Adoption of February 2014 BOD Meeting Minutes

[Note: The first two action item resolutions follow in their entirety. A pending version of the February 2014 BOD Meeting Minutes has already been disseminated as per usual.]

1. 3.6.2 Consent Agenda Policy Revision

The Board of Directors adopted a consent agenda policy in November of 2013 and used the consent agenda for the first time in February, 2014. The minutes of that meeting document recommendations for improvement to the policy:

34. Consent Agenda

Chief Administrative Office Ron Schultz called attention to the proposed action to adopt a consent agenda, this to be used for the first time by the board. After discussion of the content of the agenda and suggestions for its future use (e.g., that consent agenda items be provided consecutively in the docket, that an oral President’s Report be included early in the meeting agenda, that the Governance Committee continue to give consideration to its content going forward, that “accept” be used in connection with written reports and “adopt” with action items, etc.), the following resolution was introduced and adopted....

In accordance with the board’s desire, the Governance Committee proposed the following policy revisions.

Resolved, That the LCMS Board of Directors adopt policy 3.6.2 as shown hereafter:

~~DELETED~~NEW WORDING

3.6.2 Consent Agenda

- 3.6.2.1 The board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time to education and discussion of substantive issues.
- 3.6.2.2 The consent agenda should consist of routine matters that require board action. Typically these items include the approval of minutes, the acceptance of officer and other written reports (excluding the quarterly financial/budget report), and ~~acceptance~~adoption of routine or non-controversial action items.

- 3.6.2.3 The board chair shall be responsible to approve the proposed consent agenda for each meeting upon recommendation of the Chief Administrative Officer. The consent agenda shall be distributed with the meeting docket no less than one week prior to the meeting. The consent agenda will be presented to the board for adoption as soon as practicable after the opening devotion on the first day of the meeting.
- 3.6.2.4 Any item which appears on the consent agenda may be removed from the consent agenda upon request by a member of the board. Items removed from the consent agenda will be considered at another time during the meeting as determined by the chairman. The remaining items will be voted on by a single motion to approve the consent agenda. The approved motion will be recorded in the minutes, including a listing of all items appearing on the consent agenda.

2. Net Assets Designation for National Youth Gathering

In previous trienniums, the board of directors designated net assets equal to the amount of excess revenue over expenses from the National Youth Gathering for the use of future such gatherings. The 2013 National Youth Gathering generated an excess of revenues over expenses of approximately \$450,000.

Resolved, That the LCMS Board of Directors authorize the designation of unrestricted net assets of an additional \$450,000, to be added to the balance of unrestricted net assets designated for future national youth gatherings.

49. President's Insights/Legal Counsel Report

President Harrison “welcome[d] the board to town” and noted the relative quiet that continues to pervade the Synod. He reported on the visitations of districts that he and Vice-President Mueller have been carrying out, “pleasant and enjoyable, with honest discussions of matters of concern.” Typically these meetings include discussions of financial issues, 40-year statistical information, and challenges districts are facing, to a great extent due to cultural, economic, and demographic factors. He noted that “we are all in this together with no easy solutions,” these factors to be discussed further during the board’s retreat in August.

He also reported on developments within the Concordia University System, spoke of working diligently to carry out the resolutions adopted by the 2013 convention and of looking ahead to the district conventions, and reported on plans to pull together an internal task force to move 500th Reformation Anniversary plans forward. He spoke of an “excellent meeting” with Thrivent that included representation from the Wisconsin Lutheran (WELS) and Evangelical Lutheran (ELS) Synods.

When responding to questions from board members, the subject of elections of Concordia University System (CUS) presidents prompted conversation that in turn prompted the introduction and adoption of a motion to move into executive session for that discussion and also to receive the legal counsel report.

49X. Executive Session I

Chairman Kumm called on the Chief Financial Officer for a brief report of the financial status of the Synod.

50. Finance Report & Insights for Fiscal Year 2015

Chief Financial Officer Jerald Wulf called attention to his printed report in the Consent Agenda and the financial statements as of April 14, 2014. He noted a balance of \$4 million in board-designated funds, indicating the Synod's ability to finance its needs without using restricted funds. He also noted that as of the end of April, the Synod enjoys a favorable variance compared to budget of \$2,680,000 and expressed confidence that the budget will not be exceeded at year's end.

He reported that another piece of Synod-owned property has been discovered, *i.e.*, a cemetery in the Pittsburgh area, that will cost the Synod \$7,200 a year for maintenance. He also reported that the balance of the Concordia University System debt now stands at \$16 million, payments costing the Synod \$208,000 a month (\$2.5 million a year). Two other synodwide entities also continue to look to the Synod for the bulk of their funding: Concordia Historical Institute and the National Lutheran Housing Corporation, raising concern regarding how the Synod will be able to provide such funding as its revenues decline. Discussion is underway with these boards to consider models to further their self-funding efforts.

51. Mission Advancement for Fiscal Year 2015

Mark Hofman, Executive Director for Mission Advancement, provided a PowerPoint presentation to introduce his mission advancement plan for the coming fiscal year (attached to the protocol copy of these minutes), recalling his presentation one year ago, noting lessons learned during the past year, identifying ongoing concerns, and unveiling direct gift goals for fiscal year 2015 compared to 2014. His department's strategy, which he explained in detail, will be to

- Increase confidence and trust
- Communicate value and resist begging
- Push symmetry
- Promote the agile gift
- Resource adequately and appropriately
- Enhance structure
- Add sophistication

Going into fiscal year 2015, he noted that some "investments" that have been and are being made (including greater efficiencies, increased effectiveness of new major gift staff, and some funding already available for new staff positions) are anticipated to result in gains in future performance.

52. 2014/2015 Mission and Ministry Operating Budget

Chief Financial Officer Jerald Wulf opened the presentation of the proposed Fiscal Year 2015 Mission and Ministry Operating Budget with remarks regarding the budget preparation process, noting that the process is becoming "more smooth and accepted," also commending Synod leadership and staff for their cooperation. Although the Synod faces significant budget challenges for the coming year, including the loss of Thrivent bloc grant dollars, a nine percent increase in benefit costs, and a \$500,000 reduction in district support, the budget as prepared is a balanced budget that includes a \$500,000 contingency line item.

Ross Stroh, Executive Director of Accounting, provided a PowerPoint presentation to introduce the board to the proposed budget (attached to the protocol copy of these minutes) which included an overview of its content, projected undesignated support information (including districts), and a breakdown with explanation of each category of operating budget expenses.

After discussion throughout the presentation, the following resolution was introduced and adopted.

Resolved, That the Board of Directors approve the 2013/2014 Mission and Ministry Operating Budget as follows:

Total Spending Plan	\$ 75,485,597
Total Revenue (Source of Funding)	<u>75,485,597</u>
Surplus (Deficit)	\$ 0

And be it further

Resolved, That the Board of Directors allow non-material deviations to be made by the Chief Financial Officer to set a final budget consistent with the intentions of a surplus/ balanced budget.

2014/2015 Mission and Ministry Operating Budget

Programs	2014/2015			
	Total Expense Budget	Materials & Services	2014/2015 Revenue	
			Restricted & Bd. Designated	Undesignated Revenue
Office of International Mission	\$ 31,054,442		30,744,809	309,633
Pastoral Education	3,421,050	102,000	2,291,890	1,027,160
University Education	3,151,000			3,151,000
Office of National Mission *Youth Gathering	9,978,044	573,701	8,942,867	461,477
Communications	4,209,881	482,052	493,329	3,234,500
KFUO	1,307,245		1,307,245	
Mission Advancement	<u>7,777,870</u>		<u>7,540,116</u>	<u>237,754</u>
Total Programs	60,899,532	1,157,753	51,320,256	8,421,523
Ecclesiastical Services/Commissions				
Commission – Constitutional Matters	13,350			13,350
Commission – Handbook	9,450			9,450
Commission – Theol. & Ch. Relations	939,804		239,244	700,560
Conflict Resolution	72,680		50,000	22,680
Convention Committees/Task Forces	64,710			64,710
Rosters and Statistics	631,936	62,680		569,256
Church Relations	<u>3,897,582</u>		<u>3,370,752</u>	<u>526,830</u>
Total Eccl. Services/Commissions	5,629,512	62,680	3,659,996	1,906,836
Synod Constitutional Officers/Administration				
President & Vice-Presidents	1,802,706	8,700	284,000	1,510,006
Secretary	398,481			398,481
Board of Directors	77,935			77,935
Board for International Mission	21,950			21,950
Board for National Missions	21,950			21,950
Council of Presidents	126,020			126,020
Chief Administrative Officer	429,375			429,375
Chief Financial Officer/Treasurer	393,195		80,000	313,195
Chief Mission Officer	560,035		175,582	384,452
Concordia Historical Institute	425,000			425,000
*Synod Convention				
Circuit Visitors Conference				
Contingency	<u>500,000</u>			<u>500,000</u>
Total Synod Officers/Admin.	4,756,647	8,700	539,582	4,208,364

General & Administrative				
Property and Insurance	790,675	347,558		443,117
External Audit	100,000			100,000
Internal Audit	947,681	287,000		660,681
Accounting	1,870,101	41,760		1,828,341
State/Federal Tax Reporting	133,814			133,814
Legal	603,255			603,255
Information Technologies	4,012,224			4,012,224
Human Resources	792,812	125,000		667,812
General Services	2,266,786	123,234	2,500	2,141,052
Interest	75,770	318,578		(242,808)
Foreign Exchange	5,000			5,000
Total General & Administrative	11,798,118	1,243,130	202,500	10,352,487
Adjustments				
Contra-Expense Adjustment	(7,598,210)			(7,598,210)
Unallocated G & A Expense	(1)			(1)
Net Adjustments	(7,598,211)			(7,598,211)
Total	\$ 75,485,597	2,472,263	55,722,334	17,291,000
			Projected Unrestricted Revenue	\$ 17,741,000
			Unrestricted Revenue Board Designated for Communications	(450,000)
			Net Unrestricted Revenue to Fund Operations	<u>\$ 17,291,000</u>

*Youth Gathering and Synod convention occur every three years.

53. 2014/2015 Capital Budget

Executive Director of Accounting Ross Stroh presented the proposed 2014/2015 Capital Budget. After he responded to questions, the following resolution was introduced and adopted:

Background

Board of Directors policy requires all Synod departments to submit their requests for capital items as a separate annual budget for approval. The Chief Financial Officer has identified the source of funding to be general corporate cash or capital debt, as necessary. Departments and other corporate entities are charged for the capital acquisitions over the economic life of the asset via depreciation. The capitalization level is \$5,000. All items with a purchase price above \$5,000 and a useful life of longer than one year or an aggregate amount above \$5,000 when purchased together are capitalized.

Resolved, That the Board of Directors approve the 2014/2015 capital budget requests totaling \$950,839 as shown, with funding provided by general corporate cash, capital debt, restricted funding, or through allocations to other corporate users.

2014/2015 Capital Budget

Information Technologies	PC/Mac Purchases	\$ 219,700
	Network/Desktop Printers	29,000
	Desktop Scanners	22,375
	Projects/Infrastructure	122,000
	Software	11,250

BIM / BNM	Twenty-two iPads for board members	\$ 18,260
General Services	Upgrade Wyneken	\$ 34,276
	Replace Wing Copiers	52,972
	Replace Chapel Chairs	28,901
	Upgrade Conference Rooms	31,160
	Replace Ceiling Lights – Mail Center	20,453
	Copier/Folding/Mailing Equipment	98,000
	Replace Pickup Truck	20,000
	Upgrade Front Outdoor Entrance	80,028
	Upgrade Heating/Cooling System Software	12,464
	*Other	<u>150,000</u>
Total Capital Budget		\$ 950,839

[*The International Center Facilities Committee has standing approval for a \$150,000 annual capital budget for developing capital projects not specifically identified during the budget process. The General Services Executive Director may approve capital expenditures up to \$50,000. The International Center Facilities Committee must approve any capital expenditure greater than \$50,000.]

54. 66th Regular Convention (2016) Location

Chairman Kumm called attention to the proposed action to establish the location of the 2016 convention of the Synod. After discussion, the following resolution was introduced and adopted:

WHEREAS, The Lutheran Church—Missouri Synod with 2010 Res. 4-08 changed its process for selecting convention dates and locations by placing the responsibility for determining the sites of Synod conventions with the Board of Directors, in consultation with the convention manager (Bylaw 3.1.9 [j] [2]); and

WHEREAS, The convention arrangements coordinator has solicited information from approximately a dozen cities, with five cities responding with viable proposals for consideration; and

WHEREAS, Proposals from two cities, Milwaukee, WI, and Phoenix, AZ, provide the best financial and logistical opportunities; and

WHEREAS, The President’s Office was consulted during the analysis phase of the selection process and has endorsed the recommended location; therefore be it

Resolved, That the 66th Regular Convention of The Lutheran Church—Missouri Synod be held in Milwaukee, Wisconsin.

55. Board of Directors Retreat

Chairman Kumm called on James Carter to provide information regarding plans for the board’s August 22–23 triennial retreat. After introducing Dr. Robert Krizek (Department of Communication, St. Louis University) as the retreat facilitator, he provided an overview of the retreat and its focus on “The Lutheran Church—Missouri Synod of the Future.” 1 Peter 4:12–19 will provide the scriptural focus for the retreat, which will be held in conjunction with the board’s August meeting.

56. Board of Directors Committees—Action Items

The committee reports having already been accepted with the adoption of the consent agenda resolution at the beginning of the meeting, the board committees were provided opportunity to present action items requiring board attention.

A. Personnel Committee

(1) Board of Directors Policy Manual Revision

Chief Administrative Officer Ron Schultz called attention to section “5.7.2 Appointments and Filling Vacancies” in the board’s policy manual, noting proposed changes to clarify and update existing policies governing the board’s appointment responsibilities. A motion was introduced and carried to adopt the following changes to section 5.7.2.

~~DELETED~~/NEW WORDING

5.7.2 Appointments and Filling Vacancies

5.7.2.1 Regular Appointments to Boards, Commissions, and Standing Committees

5.7.2.1.1 The Bylaws of the Synod and the governing documents of certain LCMS agencies designate the Board of Directors of the Synod as the entity responsible for making certain appointments. The Board of Directors is responsible to make appointments will be made as shown below:

<u>APPOINTMENT</u>	<u>HOW MANY/TYPE</u>	<u>AUTHORIZATION</u>	<u>NOTES</u>
<i>[First Meeting Following National Conventions (September):]</i>			
The Lutheran Church— Missouri Synod Foundation	5 At-Large Members 1 Alternate	Bylaw 3.6.5.2.1	
Concordia University System	3 <u>L</u> ay Members	Bylaw 3.6.6.2 3	
<hr/>			
<i>[Annually at May Meeting of Board:]</i>			
Lutheran Church Extension Fund—Missouri Synod	Members at Large	Bylaw 3.6.4.2.1 3	Number to be elected based on formula identified in bylaw.
Concordia Plan Services	For first year of triennium: 1 ordained 4 laypersons* For the second year: 1 commissioned 4 3 laypersons* For the third year: 1 ordained 4 3 laypersons	Bylaw 3.7.1.3 6.3.1	*Of the laypersons, at least five four shall be experienced in the design of employee benefit plans, at least <u>five</u> four shall be experienced in the management of benefit plan invest- ments, and at least one shall have significant financial/audit experience.
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<i>[Annually, at First Meeting of Board:]</i>			
LCMS National Housing Support Corporation	0 – 2 members annually depending upon total number on board.	Corporation Bylaw III B, C, E, and F	At least 1/3 of elected directors elected by LCMS Board of Directors or Execu- tive Committee (Remainder elected by National Housing Board. National Housing Nominating Committee (in consultation with LCMS President) to prepare slate for directors elected by

National Housing board; will also prepare Slate for LCMS board upon request. Candidates must be members of LCMS congregations. National Housing board may increase number to 15 maximum.

~~5.7.2.1.21.1.1~~ At least three months prior to the LCMS Board of Directors meeting at which appointments are to be made, the Synod Secretary shall issue a request for nominations. This request will be forwarded to

- district presidents
- the respective board and its executive officer
- the executive director of human resources, who shall maintain a file on available talent.

~~5.7.2.1.31.1.2~~ Nominations shall be submitted on a form similar to that used for elected positions and shall include both their willingness to serve and their biographical sketches and evaluations.

5.7.2.1.4 Prior to the board meeting, the board's Personnel Committee shall review the nominations. The committee shall submit to the board a list of at least two candidates from the list of nominees for each appointments to be made. All incumbents for reappointment shall be included in the list of candidates. Any board member may add a name to the list of candidates from the list of nominees. The committee shall provide to the board the entire list of nominees along with all background information.

5.7.2.1.5 Mid-term vacancies in these positions will be filled according to the process outlined herein above.

5.7.2.2 Vacancies in positions elected by the Synod in convention.

5.7.2.2.1 Mid-term vacancies in positions initially filled by election at a Synod convention shall follow the process outlined in the LCMS Handbook (Bylaw 3.2.5; Bylaws section 3.12).

5.7.2.2.2 The slate of candidates provided by the Bylaw 3.2.5 committee shall be provided to the board in its entirety and shall not be modified.

~~5.7.2.2.31.1.3~~ The board may not alter the slate of candidates (floor nominations are not allowed under Bylaw 3.2.5 [d]).

5.7.2.3 Former executives of a board or commission shall not be eligible for appointment to that board for a period of six (6) years after termination of employment.

This action was immediately followed by a motion that was introduced and carried that the Synod's Commission on Handbook prepare a proposed convention action for the 2016 Synod convention that will change the pertinent bylaw(s) to allow the addition of floor nominations to lists of candidates provided by a Bylaw 3.2.5 committee when mid-term vacancies are being filled.

(2) Appointments to Fill Vacancies

Secretary Raymond Hartwig led the board through the election process for filling the following vacancies. In each case, the names and biographical and evaluative data of the candidates were noted and opportunity was provided for discussion. The following appointments, decided by ballot, received a majority vote.

Concordia Plan Services Board of Directors

Teacher Position: Kenneth M. Boerger (Parma, Ohio)

Lay Position (Financial/Audit): Randall L. Boushek (Elk River, Minnesota)

Lay Positions (Benefit Plan Design): Kristi A. Matus (Hartford, Connecticut)

Thomas K. McCain (Cohasset, Massachusetts)
Mark Swenson (Minneapolis, Minnesota)

LCMS National Housing Support Corporation Board of Directors

General Board Member Position: David Dasari (Henderson, Nevada)

LCEF Members-at-Large

Member-at-Large Vacancy Appointment: Dennis Becker (Fort Wayne, Indiana)
Member-at-Large: Howard Crumb (Ridgewood, New Jersey)
Member-at-Large: John L. Daniel (Allentown, Pennsylvania)
Member-at-Large: Leonard V. Fiedler (Altenburg, Missouri)
Member-at-Large: Ronald Miller (Edwards, Illinois)
Member-at-Large: James I. Ridley (Upper Marlboro, Maryland)
Member-at-Large First Alternate: Kevin D. Robson (Baxter, Minnesota)
Member-at-Large Second Alternate: George Black (Severn, Maryland)
Member-at-Large Third Alternate: Loren Lumpe (St. Louis, Missouri)

Board for International Mission

West-Southwest Region Individual (Rostered) Member Vacancy Appointment: Jeffrey E. Shearier (Aurora, Colorado—relocated to Beaverton, Oregon)
Great Lakes Region Lay Member Vacancy Appointment: K. Allan Voss (Sheboygan, Wisconsin)

Board for National Mission

West-Southwest Region Individual (Rostered) Member Vacancy Appointment: Alfonso O. Espinosa (Lake Forest, California)
East-Southeast Region Lay Member Vacancy Appointment: Julia G. Habrecht (Alexandria, Virginia)

Upon completion of the appointment process, a motion to destroy the ballots was introduced and carried.

(3) Officer Salaries

The Personnel Committee introduced the issue of officer salaries and requested that the Board of Directors move into executive session, also requesting that Secretary Raymond Hartwig and Chief Administrative Officer Ronald Schultz excuse themselves from the session. A motion was introduced and carried to enter executive session.

56X. Executive Session II

The board having exited executive session, the board continued its consideration of action items brought forward by its committees.

(B) Governance Committee

(1) Executive Limitation on Budget Matters Policy Revision

After explanation by Chief Administrative Officer Ronald Schultz, the following resolution was introduced by the Governance Committee and adopted without discussion.

WHEREAS, The Board of Directors desires to have a policy that speaks to the inclusion of honoraria for the second through sixth vice-presidents of the Synod in budget considerations; and

WHEREAS, The board also desires to have a policy that speaks to the inclusion of an entertainment and vehicle allowance for the President of the Synod; and

WHEREAS, The Synod's Internal Audit Department has made a recommendation that the board have a written policy acknowledging its desire for the inclusion of these items in annual operating budgets; therefore be it

Resolved, That the LCMS Board of Directors adopt the following revisions to board policy 4.2:

~~DELETED~~/NEW WORDING

4.2 Board of Directors' Executive Limitation on Budget Matters

(~~May 10, 2008~~ May 16, 2014)

The Chief Financial Officer, in consultation with the Synod's officers, the President of the LCMS Foundation, the ~~Facilities and Services Management Board~~ International Center Facilities Committee, the Committee for Human Resources, and the executive directors of the mission offices, commissions, and departments, is responsible for presenting to the Synod's Board of Directors for approval at its may meeting the annual operating and capital budgets for corporate Synod and for necessary adjustments in the course of the year. In carrying out these responsibilities, the Chief Financial Officer shall:

- 4.2.1 Not carry out actions which will maintain a negative balance in unrestricted net assets.
- 4.2.2 Not establish or change management policies for budgets and revenue without reporting them to the board.
- 4.2.3 Not provide the "program budget" to appropriate district personnel and members of the Synod requesting such information and provide summary budget information for publication in the official periodicals of the Synod without first providing it to the board.
- 4.2.4 Not accept unbudgeted restrict gifts in excess of \$100,000 without reporting them to the board.
- 4.2.5 Not allow negative deviations from the budget by any unit in excess of an aggregate of 5 percent without proposing a corrective plan to the board.
- 4.2.6 Not allow corporate Synod debt or debt that has been guaranteed to go unpaid (both principal and interest).
 - 4.2.6.1 Not allow debt or debt that has been guaranteed to be incurred without evidence that the debt can be serviced (business plan).
- 4.2.7 Not allow new debt or debt that has been guaranteed that will not be fully amortized over a term longer than the shorter of the economic life of the asset or 25 years.
- 4.2.8 Not allow an operating budget to be presented for approval which does not include provisions for:
 - 4.2.8.1 Honoraria or other appropriate means to recognize the service of the elected Synod vice-presidents two to six, such amount to be recommended by the Board of Directors Personnel Committee.
 - 4.2.8.2 An allowance for the President of the Synod for entertainment and vehicle expenses, such amounts to be recommended by the Board of Directors Personnel Committee.

(2) Fund-Raising Manual Policy

Chief Administrative Officer Ronald Schultz introduced this resolution on behalf of the Governance Committee, noting that the Office of the President, the Chief Mission Officer, and the Executive Director of Mission Advancement continue to strive for transparency in fund-raising activities. To this end, the proposed policy intends to address the manual's creation, content, and maintenance, including components that the board has identified to be included in the manual. The resolution was adopted as follows:

Resolved, That the LCMS Board of Directors adopt policy 4.12 as shown below.

~~DELETED~~/NEW WORDING

4.12 Board of Directors' Executive Limitation on Fund-Raising

The board has delegated to its Chief Administrative Officer the responsibility for assuring that appropriate fund-raising practices are in place. In carrying out these responsibilities, the Chief Administrative Officer shall:

4.12.1 Not fail to ensure that the mission advancement unit has a current and periodically reviewed fund-raising policy manual that guides the fund-raising activities of corporate Synod, its employees, contractors, and volunteers. Such policy manual shall be reviewed annually by the Chief Administrative Officer in consultation with the Chief Mission Officer. Such manual shall include statements regarding:

4.12.1.1 Gift acceptance

4.12.1.2 Fund-raising authority

4.12.1.3 Confidentiality of donor information

4.12.1.4 Honoring donor intent for restricted gifts

4.12.1.5 Compliance with generally accepted ethical fund-raising principles and practices

4.12.1.6 Internal performance reporting of gift activity

4.12.1.7 Conflict resolution

(3) Special Emphasis Observances Policy Revision

After brief explanation by Chief Administrative Officer Ronald Schultz, the following resolution was introduced by the Governance Committee and adopted by the board.

WHEREAS, The Board of Directors Policy Manual has, since 1998, included a policy on special emphasis observances; and

WHEREAS, That policy has been relatively unchanged since that time; and

WHEREAS, The current policy allows for only minimal coordination of requests; and

WHEREAS, The LCMS Department of Communications is responsible for keeping and promoting the list of Synod observances and events; and

WHEREAS, The Administrative Team desires to implement a process that better coordinates and facilitates the coordination and approval of requests for special observances; therefore be it

Resolved, That the LCMS Board of Directors hereby adopt the revised policy 5.7.7 as shown below.

~~DELETED~~/NEW WORDING

5.7.7 Special Emphasis Observances

~~(November 18, 2011)~~ May 16, 2014

- 5.7.7.1 Special emphasis days, ~~weeks, Sundays or months, or Sundays~~ to be observed by more than one district of the Synod shall be authorized by the Administrative Team of the Synod upon recommendation of the interested board, ~~or commission, or agency of corporate~~ of the Synod. These observance requests include departments within corporate Synod and agencies of the Synod. Recognized service organizations and auxiliaries who seek to have their observances recognized by the Synod must notify the LCMS Department of Communications according to the dates and process outlined below.
- 5.7.7.2 Requests for special observances shall be submitted to ~~the LCMS executive director of communications~~the Chief Administrative Officer no later than ~~November 1~~January 15th of each year. Such request should ~~include those observances desired during the upcoming July 1st through June 30th time period, prior to the year the observance is to take place. The communications department will consolidate the requests into a calendar for recommendation to the Administrative Team. Such recommendation shall be directed to the Chief Administrative Officer for presentation to the Administrative Team.~~ In accordance with the requests of prior conventions, special emphasis observations should be held to a minimum and, where possible, be in harmony with the liturgical church year. Requests for special observances should include the number of years for which the observance ~~will be recognized~~is desired, up to three years. There is no limit to the number of times an observance can be recognized as long as a new request is presented for consideration.
- 5.7.7.3 Worship materials for special observances shall be approved by the ~~Commission on LCMS~~ worship department and the Commission on Doctrinal Review (Bylaw 1.9.1.1) prior to printing.
- 5.7.7.4 A listing of special observances for the year shall be maintained and publicized by the Synod's ~~Department of communications department.~~Services.

57. Name Change and Revision of Governing Documents for Concordia Asia Educational Foundation

The following resolution was introduced and adopted without discussion.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LUTHERAN CHURCH—MISSOURI SYNOD AUTHORIZING AND APPROVING THE AMENDMENT OF THE ARTICLES OF INCORPORATION AND THE AMENDMENT AND RESTATEMENT OF THE BYLAWS OF THE CONCORDIA ASIA EDUCATIONAL FOUNDATION AND A CHANGE IN ITS CORPORATE NAME.

WHEREAS, The Concordia Asia Educational Foundation (the “Foundation”) is a nonprofit corporation organized and existing under the laws of the State of Missouri and an agency of the Synod as defined in the Bylaws (the “LCMS Bylaws”) of The Lutheran Church—Missouri Synod (“LCMS” or the “Synod”); and

WHEREAS, The Foundation was originally created for the purpose of establishing and managing international schools in Asia; and

WHEREAS, The Foundation has determined to broaden its purposes and geographic scope to allow for the establishment, operation, and/or management of entities for educational, social service, humanitarian, agricultural, or other purposes through the world; and

WHEREAS, The Foundation has also determined to modify its corporate name to “Concordia International Foundation” to reflect more accurately its purposes; and

WHEREAS, Under the LCMS Bylaws, any amendments to the governing instruments of an agency of the Synod must be approved by the Board of Directors of the LCMS and by the LCMS Commission on Constitutional Matters (“CCM”) before they become effective; and

WHEREAS, The Foundation desires to amend its Articles of Incorporation and to amend and restate its Bylaws to reflect its broader purpose and to address certain comments previously received from the CCM; and in connection therewith, the Board of Directors of the LCMS has been asked to authorize and approved the amendment of the Articles of Incorporation and the amendment and restatement of the Bylaws of the Foundation as well as the change in corporate name; therefore be it

Resolved, That the Board of Directors of the LCMS does hereby pledge and agree as follows:

Section 1. Authorization and Approval of Amended Governing Documents of and Name Change for Concordia Asia Educational Foundation

(a) The following documents have been reviewed and are hereby approved by the Board of Directors of the LCMS, subject to review of such documents by the CCM: (i) Amended Article VII of the Articles of Incorporation of the Foundation, in substantially the form attached hereto as Exhibit A, and (ii) Amended and Restated Bylaws of the Foundation, in the form attached hereto as Exhibit B. [Note: Both documents are attached to the protocol copy of these minutes.]

(b) The change in corporate name to “Concordia International Foundation is hereby approved.

Section 2. Effective. This resolution shall be in full force and effect from and after its passage by the Board of Directors of the Synod.

Section 3. Further Authority. The Chief Administrative Officer is hereby authorized and responsible to engage officers, agents, and employees of the LCMS to take such further action and to approve and execute such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the intent of this resolution.

58. Convention Preview

Secretary Raymond Hartwig spoke of preparations for the 2016 convention, sharing cost information from the 2013 convention for the presidential election electronic balloting process. The board encouraged him to make the most appropriate vendor selection. He also provided sample copies of the format of the convention preparation postcards to be mailed to the congregations of the Synod, alerting them to necessary preparations for the upcoming district and national conventions.

59. Other Business

(A) February 14, 2014 Executive Session Minutes

During the meeting, Secretary Raymond Hartwig distributed copies of the executive session minutes from the February 2014 meeting, which were approved as printed.

(B) Effectiveness Assessment Policy

Chief Administrative Officer provided explanation for a resolution to include in the board’s policy manual a section on “Corporate Synod Effectiveness Assessment.” After brief discussion, a motion to table the matter until another time was introduced and carried.

60. Board of Directors Committees—Action Items (Continued)

As the final matter of business for the meeting, the Audit Committee introduced its report on the financial condition of Concordia University System schools.

(C) Audit Committee

Concordia University System Report

Audit Committee Chairman Keith Frndak introduced his committee’s report on Concordia University System matters. A motion was introduced and carried to enter into executive session to receive and discuss the report.

60X. Executive Session III

Upon return to open session, the board concluded its meeting.

61. Adjournment

With all business to come before the board having been attended to, a motion to adjourn the meeting was introduced and carried. The meeting was closed with prayer and words of benediction.

Raymond L. Hartwig, Secretary