



Lay Leader Training 2020

Welcome

- Purpose
 - Encourage, Network, Equip
- Materials
 - Folder with agenda/handouts
 - Book *Heart of Leadership*
- Begin with the end in mind: exit tickets
- PowerPoint and Evaluation at nwdlcms.org



Opening Devotion Servant Leadership

Leader: a person who leads



The supreme quality for leadership is unquestionably integrity. Without it, no real success is possible, no matter whether it is on a section gang, a football field, in an army, or in an office.

Dwight D. Eisenhower



A leader is one who knows the way, goes the way, and shows the way.

John C. Maxwell



*A genuine leader is not a searcher for
consensus but a molder of consensus.*

Martin Luther King, Jr.



*Leadership and learning are
indispensable to each other.*

John F. Kennedy



*Management is doing things
right; leadership is doing the right
things.*

Peter Drucker



A leader is a dealer in hope.

Napoleon Bonaparte



Servant Leadership

But Jesus called them to him and said, “You know that the rulers of the Gentiles lord it over them, and their great ones exercise authority over them. It shall not be so among you. But whoever would be great among you must be your servant, and whoever would be first among you must be your slave, even as the Son of Man came not to be served but to serve, and to give his life as a ransom for many.”

Matthew 20:25-28



King Rehoboam - I Kings 12

v7 “If today you will be a servant to these people and serve them and give them a favorable answer, they will always be your servants.”

v18 King Rehoboam sent out Adoniram, who was in charge of forced labor, but all Israel stoned him to death. King Rehoboam, however, managed to get into his chariot and escape to Jerusalem. So Israel has been in rebellion against the house of David to this day.



“The servant leader constantly works to help others win.” Mark Miller

"People do not care how much you know until they know how much you care."

John C. Maxwell

“The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant.”

Max De Pree



Servant leadership from THE HEART OF LEADERSHIP

- Focus on those being served
- Motivation – others first
- Honors others
- Builds trust
- Energizes followers
- Reveals the heart



THE HEART OF LEADERSHIP

- Hunger for Wisdom
- Expect the Best
- Accept Responsibility
- Respond with Courage
- Think Others First



EXIT TICKET

How do you feel about today's lesson? Circle a reaction and explain your choice.



Like



Love



Haha



Wow



Sad



Angry

One thing I should do when I get back is...

Strategic: The What and the How

- Mission, Vision, Strategic Plan
- Roles, Policy, Monitoring
- Meeting Agenda



I HATE MY JOB



OH PLEASE!



Mission Warm-Up

- Why is there a church?
- What is the purpose of our church?
- If we disappeared, who would care?



Mission means...

- The reason we exist
- Where we are going
- What we are supposed to be doing
- What's our business, who do we serve, how well
- Broad, Brief, Biblical



Vision

- Our preferred future
- What it looks like
- The brochure describing our destination

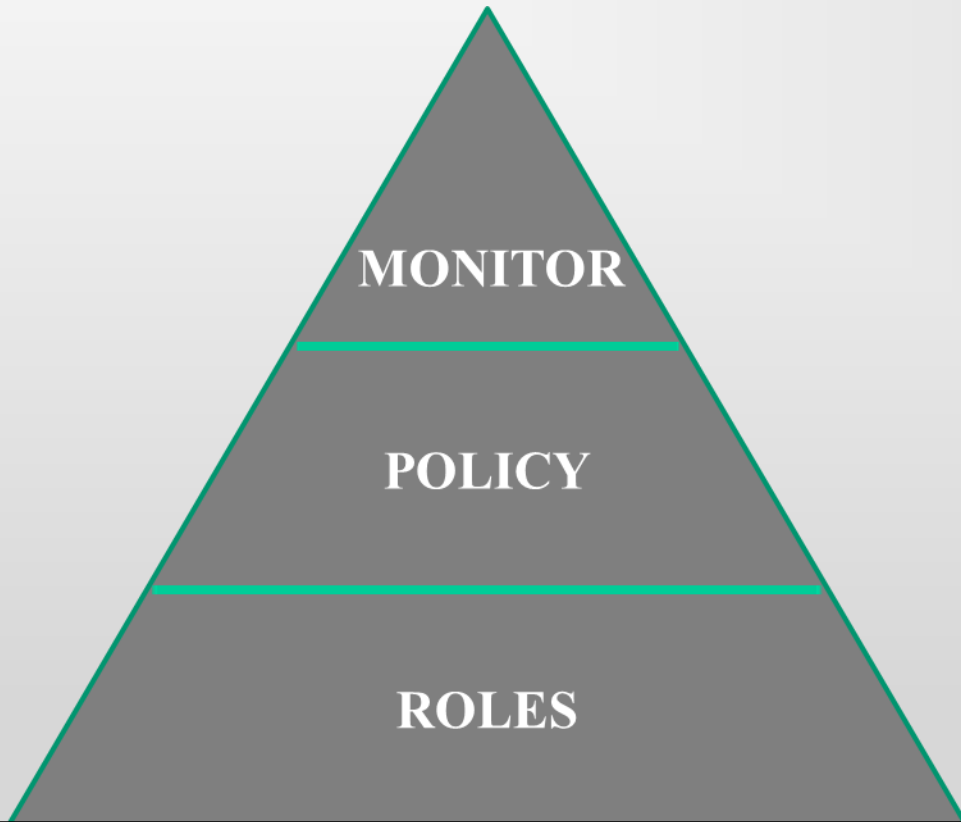


Strategic Planning

- Outcomes
 - If we do these, we achieve our mission
 - The ends, the target
 - Broad goals
 - Accountability for leadership
- Strategy
 - The means to our ends
 - The right work
 - How we will accomplish our mission
 - Lead and Lag goals
 - SMART goals
 - strategic, measurable, attainable, realistic, timed



Roles, Policy, Monitoring



Mission – Vision – Strategic Plan



Roles, Policy, Monitoring

Conflict

WHO makes WHAT decision?

According to...

- Constitution/bylaws
- Board manual
- Past practice in the church
- Prior experiences outside the church



Roles

- Board= Strategic
 - Staff= Operational
-
- Board = Ends, big picture
 - Staff = Means, day to day
-
- Board = The right things
 - Staff = Do things right

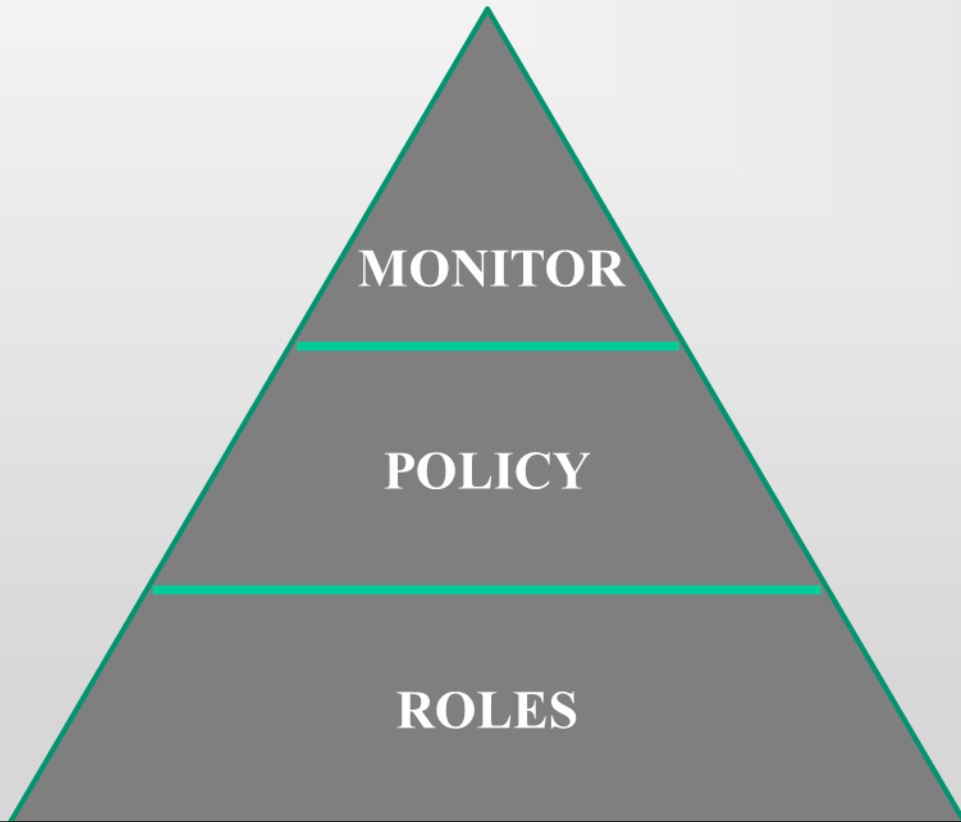


Policy

- Think boundaries
- Broadly written
- Annually reviewed
- 4 Areas
 - Board-Staff Relationship
 - Self Governance
 - Staff Limitations
 - Outcomes



Roles, Policy, Monitoring



Mission – Vision – Strategic Plan



Monitor

- Reports
- Reviews
- Interviews
- Dashboard Indicators

...Without blurring roles.



Meeting Agenda

- Pre-Meeting
 - Prepped by...
 - Out by...
 - Annual Calendar
 - Reviewed
- Three Areas
 - Bible Study
 - Board Training
 - Business
- Consent Agenda
- Timed



Resources

- [Consent Agenda](#)
- [Board Evaluation](#)
- [Policy Manual – Divine Redeemer](#)
- [LCMS Ministry Mailing](#) for parents, directors, board members, teachers, etc
- [SMART Goals](#) video



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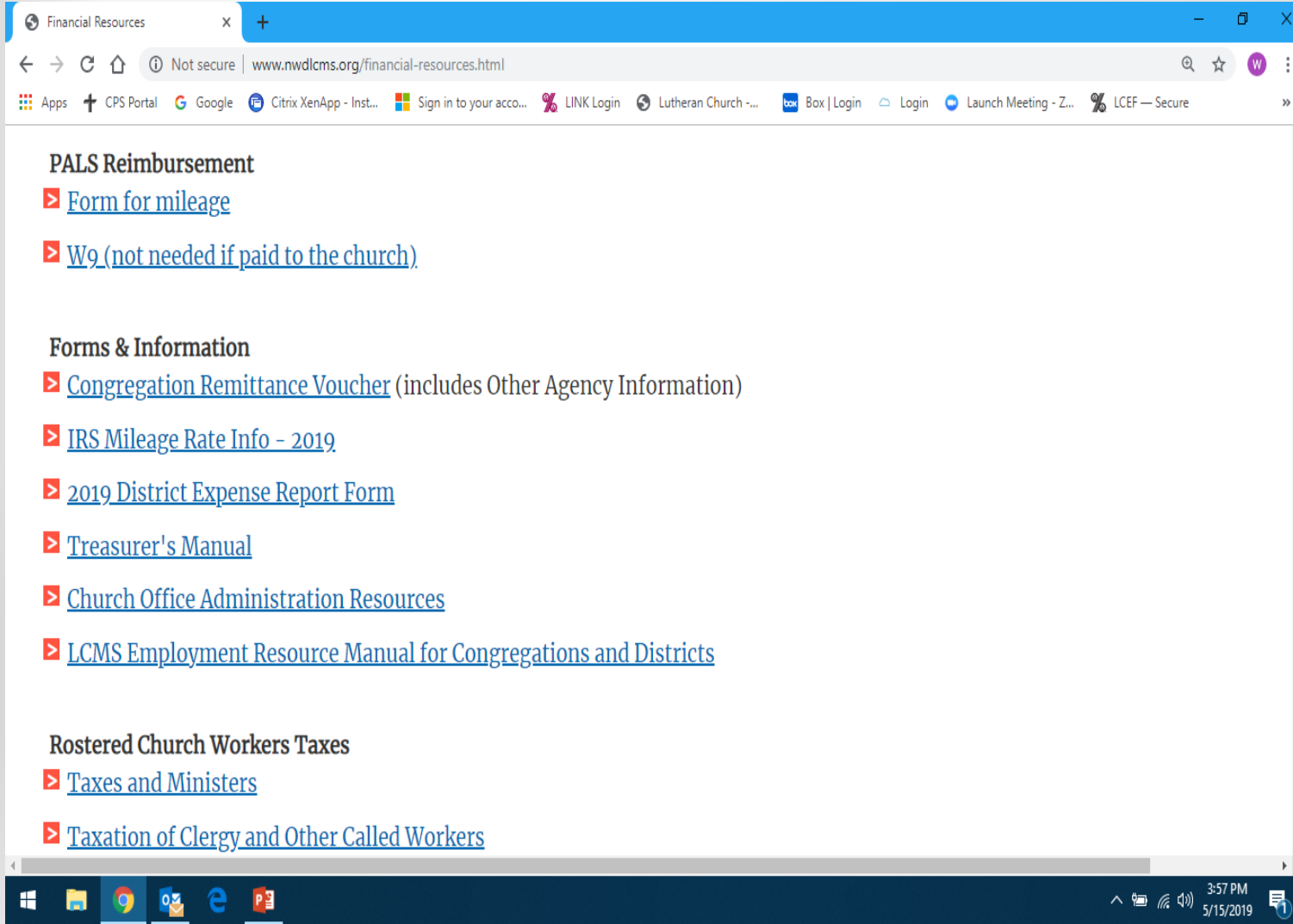
Church Finances in 2020: Fundamentals First

Without a solid understanding of
what's most important, the detail
work is useless!



LCMS Treasurer's Manual

<http://www.nwdlcms.org/financial-resources.html>



The screenshot shows a web browser window with the address bar displaying "Financial Resources" and the URL "www.nwdlcms.org/financial-resources.html". The page content is organized into three main sections: "PALS Reimbursement", "Forms & Information", and "Rostered Church Workers Taxes". Each section contains a list of links, some of which are preceded by a red arrow icon. The browser's taskbar at the bottom shows various application icons and the system clock indicating 3:57 PM on 5/15/2019.

PALS Reimbursement

- [Form for mileage](#)
- [W9 \(not needed if paid to the church\)](#)

Forms & Information

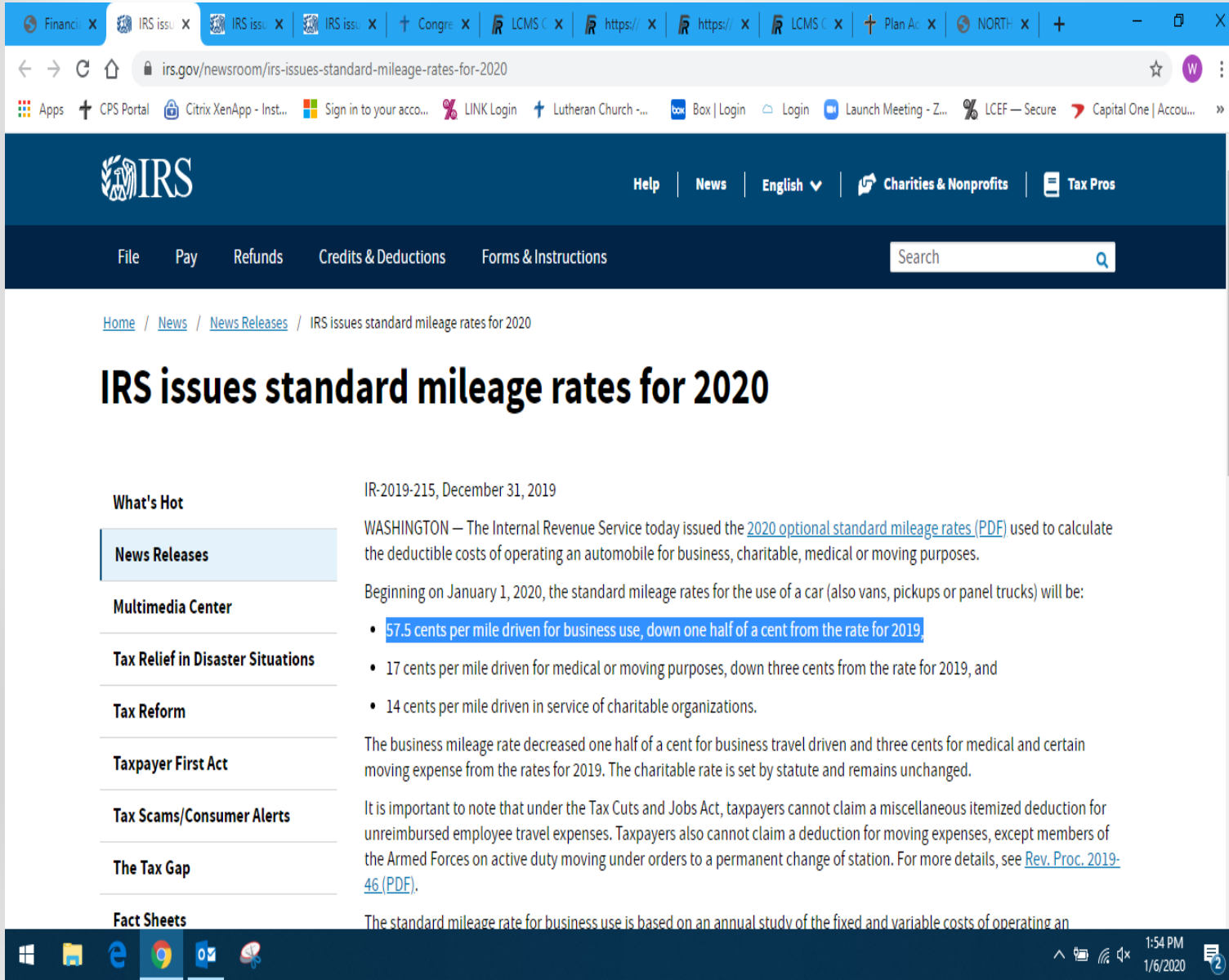
- [Congregation Remittance Voucher](#) (includes Other Agency Information)
- [IRS Mileage Rate Info - 2019](#)
- [2019 District Expense Report Form](#)
- [Treasurer's Manual](#)
- [Church Office Administration Resources](#)
- [LCMS Employment Resource Manual for Congregations and Districts](#)

Rostered Church Workers Taxes

- [Taxes and Ministers](#)
- [Taxation of Clergy and Other Called Workers](#)



New Mileage Rates For 2020



The screenshot shows the IRS website's newsroom page. The browser's address bar displays the URL irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2020. The page features the IRS logo and navigation links for Help, News, English, Charities & Nonprofits, and Tax Pros. A sidebar on the left lists various topics: What's Hot, News Releases, Multimedia Center, Tax Relief in Disaster Situations, Tax Reform, Taxpayer First Act, Tax Scams/Consumer Alerts, The Tax Gap, and Fact Sheets. The main content area is titled "IRS issues standard mileage rates for 2020" and includes the date "IR-2019-215, December 31, 2019". The text states that the IRS has issued the 2020 optional standard mileage rates (PDF) for calculating deductible costs of operating an automobile for business, charitable, medical, or moving purposes. It specifies that starting January 1, 2020, the standard mileage rates for a car (also vans, pickups or panel trucks) will be:

- 57.5 cents per mile driven for business use, down one half of a cent from the rate for 2019.
- 17 cents per mile driven for medical or moving purposes, down three cents from the rate for 2019, and
- 14 cents per mile driven in service of charitable organizations.

The business mileage rate decreased one half of a cent for business travel driven and three cents for medical and certain moving expense from the rates for 2019. The charitable rate is set by statute and remains unchanged. It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details, see [Rev. Proc. 2019-46 \(PDF\)](#). The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an



Your **BUDGET**
is the **FINANCIAL**
FOUNDATION
for **your** **CHURCH**
and is a **tool** to
help **you** **REACH**
your **church's** **GOALS.**





is the first step in good church financial management. A budget provides a way to track income and expenses, giving you the information necessary to make strategic financial decisions.



MAKING PROJECTIONS

START YOUR BUDGET AT ZERO.

Evaluate each expense line item independently based on need and the overall vision of your church. Next, look at your monthly revenue. Include unrestricted contributions (tithes and offerings) and other potential revenue streams such as rental income or tuition in your projections. Look at past monthly giving trends for guidance. Budget monthly revenue conservatively to reduce the likelihood of a cash shortfall and coordinate larger purchases with higher giving months.



HOW DO WE PAY FOR X?

The expense percentages given in the pie chart are **maximums**. They can be lowered to fit your church's priorities. If you want to increase missions giving, pay for a new sound board, or fund an outreach initiative, you may need to lower other expenses. Aim to keep personnel costs to one-third of the operating budget.

Personnel Costs
Occupancy Costs



Cash Reserves
(10% of 35%)

Ministry Expenses
Missions
Insurance
Utilities
Maintenance/Repairs

Personnel costs are easy to measure, as staffing needs and compensation should be well established before the fiscal year begins. A church should dedicate no more than 45% of undesignated income. A healthy benchmark to aim for is 33%.

Occupancy costs include mortgage debt service (principal and interest), lease expense, utilities, telephone, insurance, repairs, maintenance, etc. These monthly payments should be known upfront. Occupancy costs should not exceed 25–30% of undesignated income.

Office expenses including advertising, printing, postage, small equipment, etc., should take no more than 10% of undesignated tithes and offerings. Keep a running log of depreciable church assets (furniture, computer equipment, etc.). Estimate when they will need repair or replacement, and set aside a portion of these costs each month.

As you plan your budget, consider salary increases, hiring, layoffs, new programs, capital projects, and major fundraising efforts or campaigns. In addition, identify any expected monthly increase in expenses, such as insurance premiums.

Most importantly, consider revenue and expenses on a monthly basis so your budget reflects expected fluctuations in cash flow. Past monthly financial statements can help you plan for these variations. Considering all these factors will increase the accuracy of your annual budget projections and cash flow timing.

DIG DEEPER



FOLLOWING THE **BUDGET**

TOP 3 QUESTIONS

WHEN SHOULD WE PLAN THE BUDGET?

Many churches plan the budget on an annual basis, beginning the process in October, if they use the calendar year as their fiscal year. This gives adequate time to evaluate expenses, project income, etc. Plan to have everything finalized and approved before January 1 or the first day of your fiscal year.

HOW OFTEN SHOULD WE LOOK AT THE BUDGET?

Monthly. Meet with staff and lay leaders to compare budget performance with actual numbers. This will help identify overspending and ensure funding needs are met throughout the year.

WHAT IF BUDGETED AMOUNTS DON'T MATCH UP WITH ACTUAL NUMBERS EVERY MONTH?

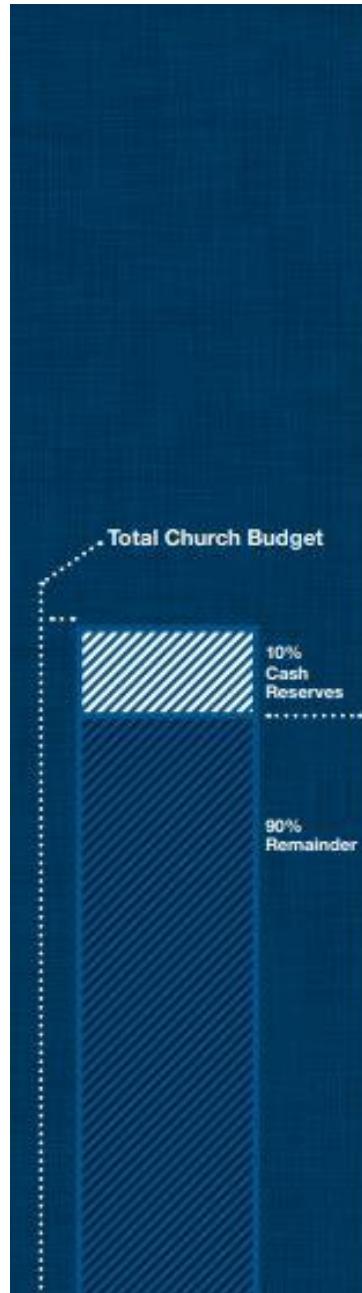
Look at the big picture. Even if your projected and actual amounts don't match up every month, the most important thing is to maintain positive cash flow overall. Savings in one month could offset an overage in a future month.





Saving **is**
CRUCIAL
to ministry
PROTECTION
and **GROWTH.**





Your budget should provide for a positive cash flow, enabling you to save on a consistent basis. A cash reserve is important because it:

PROTECTS AGAINST

- Unexpected expenses
- Declines in giving
- Building maintenance and repairs
- Periods of transition

PLANS FOR

- New ministry initiatives
- Large purchases
- Building renovations and expansion

At minimum, designate 5-10% (chart shows 10%) of the church budget towards building cash reserves. First, the money should be set aside to build up three to six months of operating costs. Then, when the HVAC system breaks down or the carpet wears out, you'll be able to absorb the costs without having to go into debt. After you've built up three to six months of operating costs, continue taking advantage of the positive cash flow created by your budget to save for future church goals.



GROWING YOUR SAVINGS

Once your cash reserve is built, consider growing it through an investment strategy such as laddering. Laddering simply means staggering your investments so they mature at different times. This lets you take advantage of higher interest rates while still having regular access to funds.



Rather than investing \$75,000 for a one-year period and renewing each year, create a three-year ladder.



Starting in year four, all of your investments will be earning the higher three-year rate with access to a third of your principle as it matures each year.

DIG DEEPER



Financial
STATEMENTS
reflect your
CHURCH'S
financial
HEALTH.



Obtaining properly prepared financial statements is an accounting best practice for all businesses, including churches and other non-profits.



A complete set of financial statements for a non-profit organization generally includes the following:

Balance Sheet (Statement of Financial Position): assets, liabilities, and net assets (net worth) on a stated date showing the reader where the organization is financially and where it has been.

Income Statement (Statement of Activities): revenue, including contributions, and expenses over a period of time showing the reader what resources (income) were available to complete the organization's objectives and how the resources were used (expenses).

Cash Flow Statement (Statement of Cash Flow): inflows and outflows of cash over a period of time coinciding with the Statement of Activities and Statement of Financial Position.



PROTECTING AGAINST FRAUD and EMBEZZLEMENT

INTERNAL CONTROLS

By following recommended prevention methods and implementing internal controls, you can greatly reduce the risk of fraud occurring at your church. Areas most likely to be susceptible are cash accounts (including tithes) and credit cards or other lines of credit. Important prevention methods include the following:

- The signers of checks must not be the person authorizing the expense.
- Require two individuals to sign checks of more than a predetermined amount, and ensure that the signature documentation (signature card) held by the bank shows this restriction.
- All disbursements should be made by pre-numbered checks and must be accounted for on a weekly basis.
- Require written consent of two individuals to approve the transfer of large sums into or out of accounts, including line-of-credit draws.
- Bank reconciliations should be approved by someone not authorized to sign checks or make the deposit and should be done promptly. It is recommended to look for checks out of sequence.
- Every check written should have written documentation (check request/receipt/invoice) except for payroll checks.
- Invoices and check requests must be marked paid with date and check number and filed.
- Do not sign blank checks in advance.
- Do not use signature stamps.
- Have a Credit Card Policy and approval process for purchases.
- Require those responsible for the handling of money to take at least a one-week vacation from duty each year, and have someone else fulfill the duties during that time. Consider resistance to this vacation a red flag.

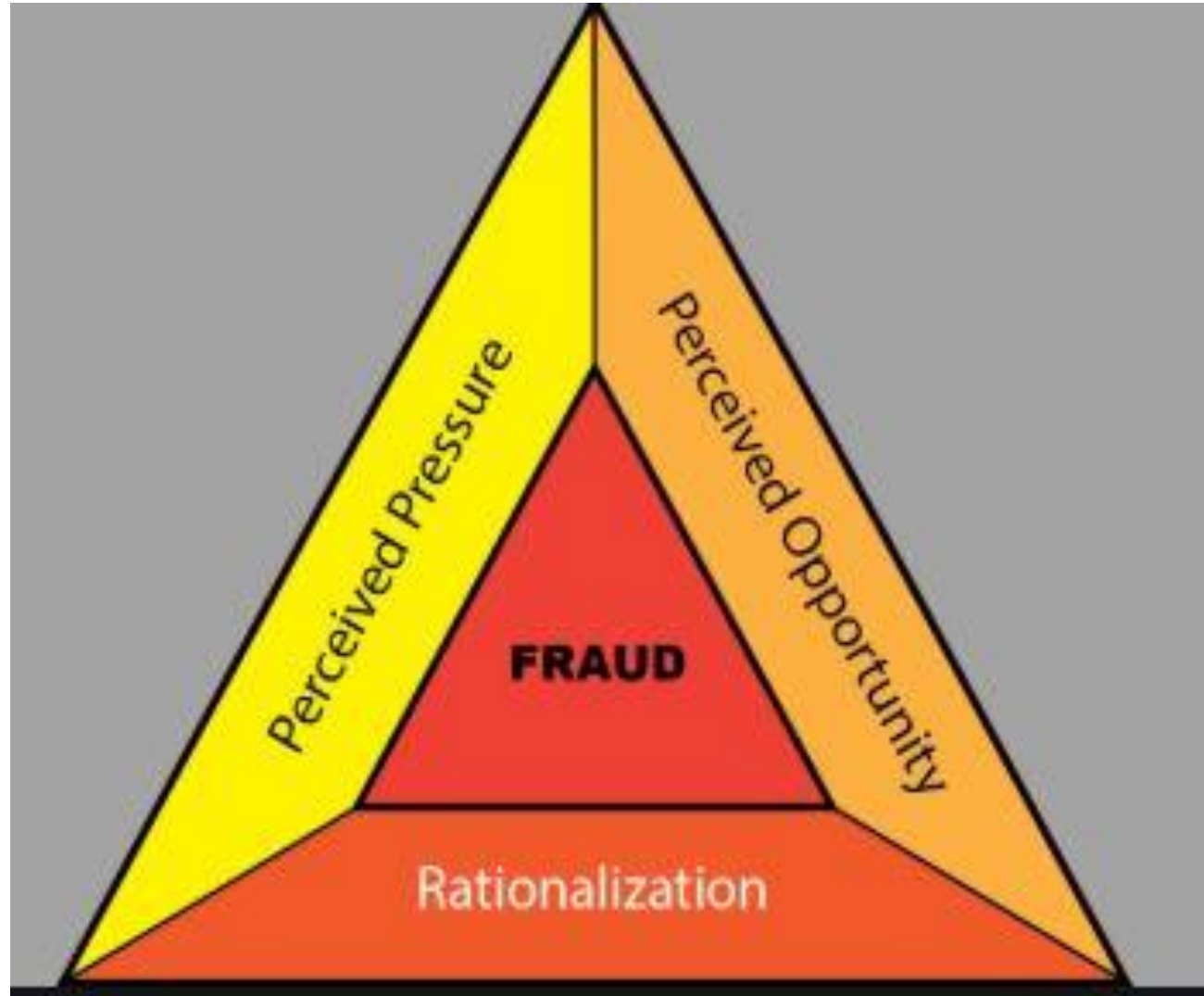


PROTECTING AGAINST FRAUD and EMBEZZLEMENT

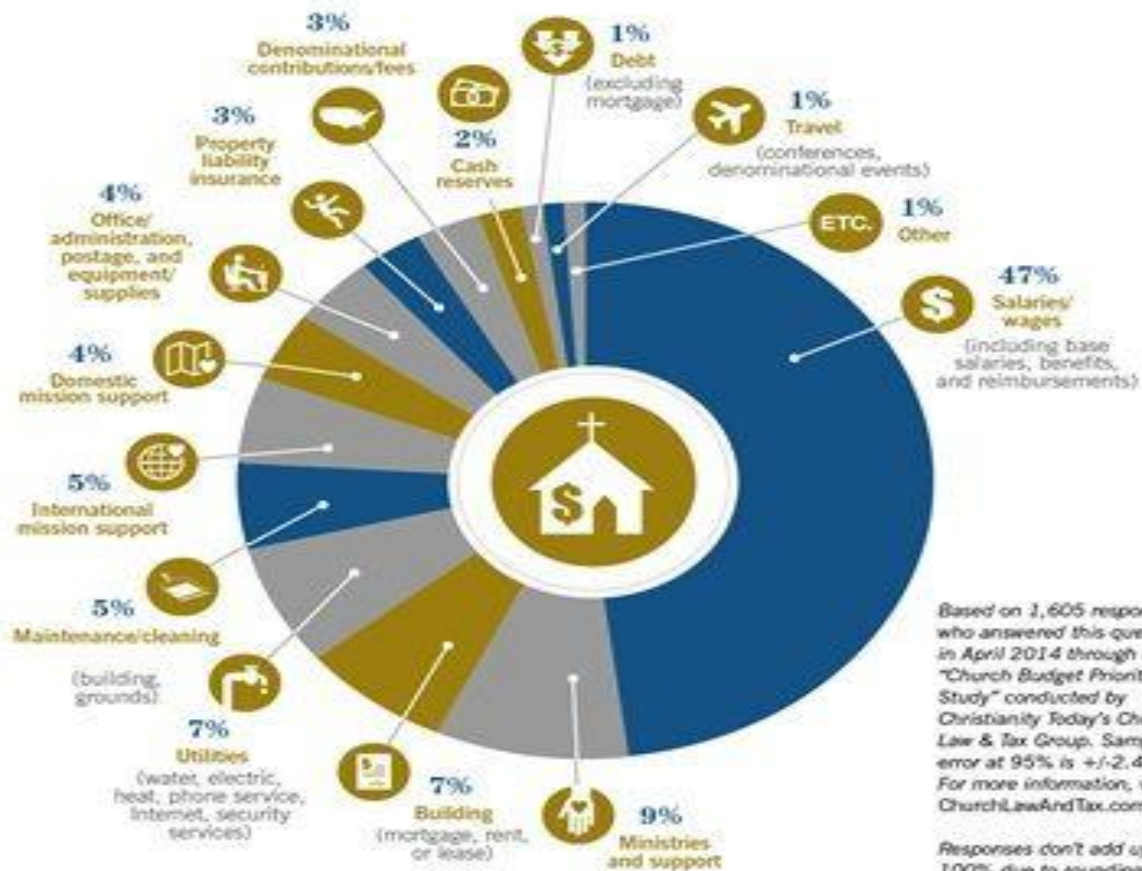
CASH MANAGEMENT

- There should be two unrelated cash counters every service, with each completing an Offering/Counter's Sheet. Have each counter verify the other's forms.
- Rotate the money counters with different individuals each week.
- Counting should be done behind a locked door. It is also recommended to have a camera overlooking the counting area.
- Checks should be stamped "For Deposit Only" immediately.
- Deposits should be made as soon as possible. Place deposits in a locked bank bag and place into a safe if you can't make the deposit immediately. Use of a night depository is recommended if bank is closed.
- Stow petty cash in a safe. Establish a procedure for its use and disbursement, minimizing access and treating it like a bank account with regular audits and reports.





HOW CHURCHES SPEND THEIR MONEY



Based on 1,605 respondents who answered this question in April 2014 through the "Church Budget Priorities Study" conducted by Christianity Today's Church Law & Tax Group. Sampling error at 95% is +/-2.45%. For more information, visit ChurchLawAndTax.com.

Responses don't add up to 100% due to rounding.

ChurchLaw&Tax.com

CHRISTIANITY  TODAY



EXIT TICKET

How do you feel about today's lesson? Circle a reaction and explain your choice.



Like



Love



Haha



Wow



Sad



Angry

One thing I should do when I get back is...

Stand and Stretch



Policy:

Critical Handbooks and Policy

- [Constitution and Bylaws](#)
- Articles of Incorporation
- Dual Parish Agreements
- Personnel Handbook
- Annual Reviews
- Compensation Guidelines
- Child Safety
- Protect Your Ministry



Constitution and Bylaws

- The first question when making any decision...
What do our Constitution and bylaws say?
- Any changes go to the District Secretary for review, then to the NWD Board for ratification
- NWD Review Process document
- LCMS Guidelines for rewrites



Articles of Incorporation

- Know if you are Chapter 181 or 187
 - If you don't know, find out.
 - Are you dissolved? Get reinstated.
 - Chapter 187 is easier, no fee, no annual report.
 - Ministries often filed 181 as the obvious not for profit, not knowing there was a 187.
 - Our attorney does NOT recommend changing from 181 to 187. File the annual report and pay the fee.
- Closing a congregation
 - Contact the District President
 - The NWD-LCMS does not close congregations



Dual Parish Agreements

- Agreements made between leaders
- Agreements must be in writing
- Sample agreements available from the District President
- Circuit Visitors will support your church on behalf of the District President



Personnel Handbook

- Do you have one?
- Do you use it?
- Is it annually reviewed?



Annual Reviews

- Why? Clear expectations. Accountability.
- Created by who?
- Based on what tool?
- Where does the buck stop?
- Plan implemented a year in advance of review
- Clear goals/outcomes/measures – YES or No
- No surprises – don't wait to handle issues



Compensation Guidelines

- No more one size fits all
- Concordia Plan Services tool
 - Ordained workers
 - Commissioned workers
- Existing District tool limited to...
 - Vacation
 - Pulpit supply
 - Sabbatical
 - Severance



Child Safety

No Soft Targets

- Background checks
 - Group Purchasing with Protect My Ministry
- Child Risk Management Policy
 - Pilgrim Safe School initiative
- Staff and volunteer sexual abuse training
 - Ministry Safe roll-out



Protect Your Ministry SOGI Laws

- Statement of Faith
 - Handbooks
 - Signed by worker
- Employment Criteria
- Facility Use
- Marriage
- [Protect Your Ministry Sample Policies](#)



Policy: Critical Handbooks and Policy

- [Constitution and Bylaws](#)
- [LCMS Personnel Handbook Resource](#)
- [Reduction in Force Sample](#)
- [Compensation Guidelines](#) pastors
- [Compensation Guidelines](#) schools
- [Pilgrim Safe Initiative](#) Child Risk Management Policy
- [Protect Your Ministry](#)
- [LCMS Governing Manual Resource](#)
- [LCMS Taxes and Ministers](#)



EXIT TICKET

How do you feel about today's lesson? Circle a reaction and explain your choice.



Like



Love



Haha



Wow



Sad



Angry

One thing I should do when I get back is...

Relational:
Communication, Change, Conflict

*The most important thing in
communication is hearing what isn't
said.*

Peter Drucker



Tower of Babel

Genesis 11:1-9

- Commitment to work on a goal
- Unity among the people
- An effective communication system
- Doing the will of God (clear focus on His will)

Every organization possessing these four ingredients will be successful!



Communication

Errors common to organizational change efforts and their consequences

- Under communicating the vision. John Kotter
- People need to hear things 7 times.



Communication

Leaders keep their people regularly informed about what is going on.

- Informed people are trusting people.
- Uninformed people are suspicious people
- If people suspect that the leadership is trying to keep something from them, they will not follow them.
- Exception – personal matters of confidentiality



Communication

- Use – newsletter, announcements at worship (use screen), website, email, text, Facebook
- No Surprises
- Celebrate Victories



Communication

Give Hope – Faith turned toward the future

- If you don't – who will?
- Summarize some positive results of a meeting.
- Annual report – powerpoint of pictures of things that took place at church during the year.



Change

“After refreshing ourselves we proceeded on to the top of the dividing ridge from which I discovered immense ranges of high mountains still to the West of us with their tops partially covered with snow.”

Meriwether Lewis, Canoeing the Mountains by Tod Bolsinger



Change

What did they have to do?

Educate – read a book, download an article

- Our Iceberg is Melting – John Kotter
- Who Moved My Cheese – Dr. Spencer Johnson
- Who moved my Pulpit – Thom Rainer
- Movie: SISTER ACT



Conflict

Goal: Christian conflict resolution seeks to resolve disputed issues in a manner pleasing to God.



If your brother sins against you, go and tell him his fault, between you and him alone. If he listens to you, you have gained your brother.

But if he does not listen, take one or two others along with you, that every charge may be established by the evidence of two or three witnesses.

Truly, I say to you, whatever you bind on earth shall be bound in heaven, and whatever you loose on earth shall be loosed in heaven.

Matthew 18:15-20



CONFLICT

LCMS offers DISPUTE RESOLUTION
(LCMS Bylaw 1.10) for...

1. members of the synod
2. corporate Synod or an agency of the Synod
3. members of congregations challenging the procedure used in their excommunication (1.10.2)



Conflict – Dispute Resolution

- District President, District Vice-Presidents, Circuit Visitors
- District has four trained reconcilers
- Ambassadors of Reconciliation



Conflict - Opposition

- Careful in reading unsigned material
- Deal with people in private if possible...ahead of time
- When people come to you with list of grievances against staff, members...ask if they followed Matthew 18
- Do not give former members the floor
- Do not accept hearsay from opponents who supposedly speak for others



CONFLICT

So if you are offering your gift at the altar and there remember that your brother has something against you, leave your gift there before the altar and go. First be reconciled to your brother, and then come and offer your gift.

Matthew 5:23-24



EXIT TICKET

How do you feel about today's lesson? Circle a reaction and explain your choice.



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One thing I should do when I get back is...

Final Thoughts and Prayer

- Evaluation coming
- Reminder emails coming
- Exit Tickets - Next steps for ministry
- We work for you

