THE PARISH PAPER
IDEAS AND INSIGHTS FOR ACTIVE CONGREGATIONS
EDITOR: CYNTHIA WOOLEVER—WWW.THEPARISHPAPER.COM
March 2017—Volume 25, Number 3

Guide to Good Governance

After months of meetings, the long-range planning committee of Epiphany Church submitted a report to the congregation's board. The report highlighted three important conclusions: (1) the average age of regular worship attendees is going up while worship attendance overall continues to decline; (2) action steps must be taken immediately; and (3) major changes are needed in ministry priorities. After careful review, the board laid out five possible courses of action. How did Epiphany Church board members respond? They chose sides, with each action plan attracting supporters and opponents. How are they going to move forward and make decisions?

Governance or Ministry?

Governance is how we make decisions as a congregation. Typically, the board takes responsibility for big-picture issues and works to help the congregation achieve its mission. The board accepts responsibility for keeping the church's resources—people, money, and property—safe. The board also pursues ways to creatively leverage resources to more effectively serve the congregation's mission.

Ministry is different from governance, even if the same people do both. We know many people in the congregation who wear two hats, serving on the board *and* working in the church's food pantry. Ministry is all the other things a congregation does: offering meaningful worship, educational and spiritual development groups, community service, and outreach. Dan Hotchkiss suggests a simple way to understand the difference: governance produces words on paper while ministry produces action.[1]

Why is the distinction important? Churches often feel great about their ministries and concentrate on their programs. However, they tend to spend less time ensuring that the way they govern does not impede the growth and vitality of those same ministries. Dysfunctional governance structures can create an inward focus, a resistance to change, complacency, arrogance, and diffuse accountability.

Signs of Healthy Governance

Congregations may try to borrow organizational models from businesses or nonprofits. However, congregations are different from these organizations and they must work to customize an appropriate decision-making structure. Further, there is no one right way for churches to make decisions. Rather, the structure must be a good fit for the values, beliefs, faith tradition, and size of the church. Regardless of these differences, Hotchkiss outlines several principles of good governance.[2]

- *Unified structure for making governance decisions.* Typically, an elected board clarifies the church's mission, vision, and strategic issues. In most cases, the board delegates to others the authority to achieve these goals and monitors that those members with authority use their gifts responsibly.
- *Unified structure for making operational decisions.* In most congregations, full- or part-time staff assumes responsibility for programs, assisted by lay leaders. Supervision can come from staff,

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committee chairs, or team leaders. The board delegates authority to these staff and members to carry out the church's ministries.

Congregations adopt a structure that generally arises from the church's size. Size, as measured by church attendance and participation, affects all aspects of organizational behavior. Hotchkiss identifies three common forms, clearly associated with church size, and each with pros and cons.[3] No single structure is perfect.

The board-centered congregation. This type is common in small churches. Committee chairs, a secretary and/or treasurer, clergy person, and maybe one or more at-large members fill board seats. Although the board is responsible for the overall mission, committee chairs are tempted to "represent" their program, creating a mild conflict of interest. Program administration and issues take center stage at meetings. The smaller the congregation, the more time is required to make decisions that move the church toward ministry effectiveness.

The committee-centered congregation. This structure appears most often in churches with 100 to 400 attendees. Hotchkiss describes its essential trait: both the planning (governance) and actions (ministry) are delegated to appropriate committees by the board. The board rarely grasps the reins of their governance role. Instead, the board listens to reports and leaves strong leadership to others. In some instances when conflict arises, the staff and other leaders become triangulated.

The staff-centered congregation. In large churches, full-time staff takes on more organizational and governance work. This structure's effectiveness depends on the quality and gifts of a small number of leaders, making it unstable in the long run. On the plus side, this model can also maximize the opportunities for members to be involved in ministry.

Because no advice fits all, congregations must discern the governance form that best reflects their values and purposes. If the congregation feels called to spread the Gospel through outreach, then their governance would be organized for evangelism. If the congregation emphasizes advocacy and social justice efforts, then their governance structure would be organized to achieve those purposes.

Common Mistakes

There are some patterns that rarely work in any church. The mistakes listed below point to some of the biggest offenses.

Large boards. The governing board should be comprised of 6 to 8 members and rarely should the board seat more than 12 people. Larger boards find it difficult to keep all members fully engaged, attendance is spotty, participation is low, and many attend unprepared.[4]

Too many committees. Most churches benefit from mobilizing ministry teams to accomplish their mission (see "How Ministry Teams Get Things Done," *The Parish Paper*, January 2016). Rarely does a congregation need more than four standing committees: Finance, Personnel, Governance, and Nominating.[5]

Weak agendas. The central agenda item should be big questions that require discussion. Some churches divide the agenda into two sections: (1) items requiring little or no discussion (minutes, approval of treasurer reports) that can be dealt with quickly as a set; and (2) discussion-only items. Discussion on new proposals should occur over several months before board members are asked to vote. They should never be asked to vote during the meeting in which the possible change is first presented.

Ministry separated from money. The governance structure should not facilitate separating members into financial-only and ministry-only teams. All ministry efforts require resources and good stewardship. Likewise, financial decisions should reflect the church's values and priorities. Failure to integrate money and ministry can create power-needy leaders who exercise veto power in congregational decisions.

From Good to Great

Governance is always difficult in congregations. The Gospel compels churches to be part of transforming individuals, communities, and the world. Yet to carry out that commandment requires some level of institutional stability. Hotchkiss summarizes this tension between stability and instability: "The stability of a religious institution is a necessary precondition to the instability religious transformation brings."[6] With this in mind, ask yourself: How does our governance structure allow us to focus on our church's mission? How does it facilitate or impede our ministry efforts?

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1. Dan Hotchkiss, *Governance and Ministry: Rethinking Board Leadership, 2nd edition* (Lanham, MD: Rowman & Littlefield, 2016), 50.
2. Ibid., 6.
3. Ibid., 30-40.
4. Ibid., 81.
5. Ibid., 56.
6. Ibid., 1.