

Spirit & Truth Fellowship International

180 Robert Curry Drive, Martinsville, IN 46151

Annual Board Meeting

January 11, 2010

Monday

9:00 AM – 4:00 PM, ET (with working lunch)

Attendance:

Present: Dan Gallagher (DG), John Schoenheit (JWS), Gary Theisen, MD (GT), and Karen Theisen, LPC (KT)

Guests (staff): Mike Patten (MP), Jeff Blackburn, Rachel Darr, Janet Speakes, Dustin Speakes, and Renee Speakes

Board Meeting

The meeting opened with prayer and manifestations, after which all staff, except for Mike Patten, was dismissed to resume their normal work duties.

NEW BUSINESS

The Board meeting was convened with Dan Gallagher, Ministry CEO, serving as meeting chairperson.

A. Election of Board members

1. DG motioned Gary Theisen to be reelected to board of directors. JWS seconded. Unanimously passed.
2. DG motioned Mike Patten to be elected to the board of directors. KT seconded. Unanimously passed.

B. Election of Officers

1. DG motioned for JWS to remain President. GT seconded. Unanimously passed
2. DG motioned for GT to remain as Vice President. JWS seconded. Unanimously passed.
3. DG motioned for KT to remain secretary. JWS seconded. Unanimously passed.
4. DG motioned for Dave Hanson to be invited to serve as Treasurer.

Discussion:

The Bylaws do not require an officer be a board member. Dave has volunteered in the home office for the past six months and has made three visits at his own

expense in order to review finances. His efforts have been extremely helpful and beneficial. Dave continues to work with Jeff Blackburn, office manager, and Janet Speakes, assistant office manager, with the goal of streamlining our financial reports. Dave has extensive training in business and finance. He has a finance degree, an MBA and a Masters in Accounting from the University of Rhode Island.

- DG contacted Dave Hanson and he agreed to this appointment.
- Motion unanimously passed.

C. Year End Accounting

1. DG reported STF accountant, Jody Dowdle, CPA, will again be providing our annual IRS filing of the 990 form, required for all not-for-profits.
2. Once year-end financials are prepared, a general breakdown of income and expenditures will be posted on our website.

D. Board Evaluation and Accountability

1. DG distributed a document, "Toward a Better Board," adopted from the Governance Series, vol. 2, Legal Responsibilities (produced by Board Source, Building Effective Nonprofit Boards).

Discussion:

The board reviewed the following:

- Ten Basic Responsibilities of Boards
 1. Determine the mission and purpose of the organization.
 2. Select the Chief Executive Officer.
 3. Support and evaluate the Chief Executive Officer.
 4. Ensure effective planning.
 5. Monitor and strengthen programs and services.
 6. Ensure adequate financial resources.
 7. Protect assets and provide financial oversight.
 8. Build a competent board.
 9. Ensure legal and ethical integrity.
 10. Enhance the organization's public standing.
- Three Legal Duties of Board Members
 1. Duty of Care
 2. Duty of Loyalty
 3. Duty of Obedience

E. Public Posting of Board Minutes

1. JWS raised the issue that some individuals have requested that Board minutes be available for public perusal.

Discussion:

General discussion occurred regarding the benefits of posting the minutes following our annual meeting for enhanced communication and ministry transparency. It was noted that people's "desire to know" must be balanced with the protection of "sensitive issues and matters" such as the public posting of a person's name, etc. A synopsis of board decisions can be made available through our Network News and the minutes of the Annual Board meeting can be made available so that people ascertain the status of programs, events, and ministry planning.

- The board agreed to make minutes of annual board retreat available to public via our website and updates on board decisions to be made public via the Network News.

F. Board Self-Assessment Survey

1. Each board member filled out a Board Self-Assessment that reviewed the board's effectiveness in following areas:
 1. Organization's mission
 2. Strategic planning
 3. Program evaluation
 4. Fundraising
 5. Fiscal oversight and risk management
 6. Relationship with the Chief Executive Officer
 7. Board-staff relationship
 8. Public relations and advocacy
 9. Board selection and orientation
 10. Board organization

- **Discussion:**

Discussion and feedback occurred concerning all the above areas.

G. Assessment of the President and Chief Executive Officer

1. Review of the President (JWS) and CEO (DG) were tabled until 1/14/10, at which time they would be reviewed in conjunction with their annual employment evaluations.

H. Board Meeting Evaluation

Each board member filled out a Board Meeting Evaluation Form that covered the following areas:

1. The agenda was clear, supported by the necessary documents, and circulated prior to the meetings.
2. All board members were prepared to discuss materials sent in advance.
3. Reports were clear and contained needed information.
4. The board focused on policy and planning rather than getting into administrative and management details.
5. A diversity of opinions was expressed, and issues were dealt with in a respectful manner.
6. The chair guided the meetings effectively.
7. Board members participated responsibly.
8. Planning with the necessary steps were identified and responsibilities assigned.
9. All board members were present.
10. The meetings began and ended on time.
11. The meetings, times and locations were conducive to work.
12. The board enjoyed being together.

- **Discussion**

Discussion and feedback on all the points above.

I. Board Sabbatical

1. Discussion occurred about effective means to strengthen self-propagating boards. It was agreed that providing board members an optional 90 day sabbatical after serving 3 terms would allow for rejuvenation as well as care of unforeseen circumstances such as personal or family illness, obtaining higher education, etc.

Board adjourned at 4:00 PM, ET.

Staff invited to see movie with Board at 7:00 PM.

Spirit & Truth Fellowship International

180 Robert Curry Drive, Martinsville, IN 46151

Annual Board Meeting

January 12, 2010

Tuesday

9:00 AM – 8:00 PM, ET (with working lunch and dinner)

Attendance:

Present: Dan Gallagher (DG), Mike Patten (MP), John Schoenheit (JWS), Gary Theisen, MD (GT), and Karen Theisen, LPC (KT)

Guests (staff): Dustin Williams, Austin Williams, and Ryan Maher and Caleb Power on a video teleconference link.

Board Meeting

The meeting opened with prayer and a manifestations, after which staff was dismissed to resume their normal work duties.

A. Staff Communication

Ryan Maher updated the board on current ministry projects. Caleb Power informed the board that he is currently engaged in producing a 2009 Live Out Loud YouTube Video.

B. Board Policies Manual (BPM)

DG introduced and reviewed the Board Policy Manual (BPM), which is designed to contain all the current standing policies adopted by Spirit & Truth Fellowship. The reasons for adopting the BPM are:

- Efficiency of having all ongoing board policies in one place
- Ability to quickly orient new board members to current policies
- Elimination of redundant or conflicting policies over time
- Ease of reviewing current policy when considering new issues
- Providing clear, proactive policies to guide the Chief Executive Officer (CEO) and staff.

Discussion:

The BPM was reviewed, edited and unanimously accepted by the board.
See attached BPM (Appendix A).

C. Spirit & Truth Fellowship Committees

1. Committee Bylaws Description and Review.

It was noted that in 2009 a conflict arose between the language of the Finance Committee description in the bylaws and the description on the website.

Discussion:

The board desired to provide clarification of all committee roles and therefore crafted the following language.

Amendment to STF Bylaws

Section 1.12(a),(b), and (c) and Section 1.13 shall be deleted and replaced with:

Section 1.12. Committees

The Board may from time to time create and dissolve, at its sole discretion, committees, advisory panels, and task forces. All such bodies shall be advisory in nature and have no governing powers. All bodies are created with the intention of assisting the Board of Directors in being effective and efficient. They speak “to the board” and not “for the board.” Committees are not created to advise or exercise authority over the staff. All committee members serve only by appointment and approval of the board.

- Upon motion made and seconded, the board unanimously passed the above amendment to the bylaws

2. Committee Chairpersons

The committee chairperson performs a very important function in providing the leadership and efficiency of the committee work.

Discussion:

The board reviewed the functions of the committee chairperson.

Committee Chair Job Description

Facilitate Committee Work

- Plan and lead committee meetings.
- Assign tasks to committee members.
- Monitor the group's progress, and communicate with staff members assigned to the committee, if any.
- Resolve conflicts among committee members.
- Arranges for the committee to evaluate its work at the end of each program year-or at the completion of its task-to determine whether it did what it had set out to do, and what did and did not work.

Communicates with the Board

- Serve as the liaison between the committee and the Chief Executive Officer, the Board chair, and the board.
- Ensure that appropriate reports are submitted to the board and keeps the Board chair and the Chief Executive Officer (CEO) informed about the committee's progress.

Upon motion made and seconded the above Committee Chairperson language was passed.

3. Finance Committee

In light of the new committee description in the bylaws the board agreed it would be best to provide an updated description of the Finance Committee.

Finance Committee Description

The Finance Committee is responsible for advising the board so that the board can ensure the organization is in good fiscal health. The work of the committee revolves around nine major areas.

- 1. Assist in maintaining accurate and complete financial records.**
 - Monitor income and expenditures against projections.
 - Review and recommend financial policies, adequate internal controls and how to maintain financial records in accordance with standard accounting practices.
- 2. Assist with maintaining accurate, timely, and meaningful financial statements, which are then prepared and presented to the board.**
 - Present quarterly financial statements to the board.
- 3. Assist in budget preparation and financial planning**

- Propose for board approval a budget that reflects the organization's goals and board policies.
 - Verify that the budget accurately reflects the needs, expenses, and revenue of the organization.
- 4. Assist with safeguarding the organization's assets**
- Review proposed new funding for ongoing financial implications, recommending approval or disapproval to the board.
 - Ensure that the organization has the proper risk-management provisions in place.
- 5. Help the board understand the organization's financial affairs**
- Ensure that the board is well informed about the organization's finances.
 - Educate the board about financial matters.
- 6. Ensure compliance with federal, state, and other requirements related to the organization's finances.**
- Ensure the organization maintains adequate insurance coverage.
 - Ensure that the IRS Form 990, other forms, and employment and other taxes required by government are filed completely, correctly, and on time.
- 7. May establish a Compensation taskforce when deemed necessary.**
- Advise the Board concerning employee wages and benefit packages.
- 8. Committee Chair**
- The Treasurer shall serve as the committee chair, who shall operate in accordance with the Committee Chair Description.
- 9. Committee membership criteria.**
- Demonstrate a lifestyle and character consistent with the dictates of 1 Timothy 3:1-13 and Titus 1:6-9.
 - Able to demonstrate financial expertise, or abilities, or callings that serve the needs of the committee.
 - Service on this committee requires an application consisting of a resume or curriculum vitae, and a willingness to submit to a background check.
 - Demonstration of consistent financial support of the ministry as a Partner or Contributor.
 - All members serve a one-year term that may be renewed.

4. Compensation Committee

The Compensation Committee has been responsible for the review and recommendation of employee wage ranges as well as benefit packages and cost of living raises.

Discussion:

The board discussed various organizational methodologies in order to enhance the efforts and communication between the Finance Committee and the Compensation Committee. In 2009 the Finance Committee members as well as some Compensation Committee members made it known that they felt isolated from each other and desired greater cooperation and flow of information between the two committees.

- Upon motion made and seconded it was resolved that the Compensation Committee will be dissolved and a Compensation Task Force will henceforth be a subcommittee of the Finance Committee.

5. Emergency Elders Committee (EEC)

In the event of disaster resulting in the death or mental incapacitation of more than fifty percent of the board of directors, this committee is to act as an interim governing body until a replacement board is elected. This committee is charged with electing the new board members of STF. EEC membership is reviewed each year and new members designated.

New members were selected and Jeff Blackburn, Home Office Manager, was appointed to contact the EEC members in the event they are to be activated.

Board adjourned at 8:00 PM, ET.

Spirit & Truth Fellowship International

180 Robert Curry Drive, Martinsville, IN 46151

Annual Board Meeting

January 13, 2010

Wednesday

9:00 AM – 12:20 PM, ET

Lunch with the STF staff 12:30 PM - 2:00 PM

2:00 PM - 6:00 PM Board Meeting

6:30 PM - 9:00 PM Fellowship at Gallagher Home Church

Attendance:

Present: Dan Gallagher (DG), Mike Patten (MP), John Schoenheit (JWS), Gary Theisen, MD (GT), and Karen Theisen, LPC (KT)

Guests (staff): Jeff Blackburn, Rachel Darr, Janet Speakes, Dustin Speakes, Renee Speakes, Austin Williams, Dustin Williams, and Travis Williams. Ryan Maher and Caleb Power attended via video teleconference.

Board Meeting

This board convened with the entire staff. The meeting began with prayer and manifestations.

1. Staff Review and Updates

Jeff Blackburn, Home Office Manager

The Board reviewed the goals and processes in place at the office . We discussed the movement of God's Word via Internet and bookstore inventory. Jeff detailed the multiple layers of protection and accountability he has designed to protect our products, equipment, finances, and all ministry publications and documents. Jeff has done a superior job at cross training our staff and exemplifies outstanding stewardship of our hardworking staff and ministry assets.

Janet Speakes, Assistant Home Office Manager

Janet serves as the Assistant Office Manager, also overseeing finances, and provides clerical backup. She supports the front office receptionist position as well as providing proof reading and editing. Additionally, she supports the President and CEO by performing some secretarial duties. She has also served on the

Finance Committee. Janet has sharp spiritual insight and is consistently willing to go over and above the call of duty, reminiscent of Philemon 21.

Rachel Darr, Receptionist and Data Input

Rachel covers our front desk operations by taking all incoming calls, processing the mail, orders, donations, and event registrations, as well as various secretarial and proof reading duties. Additionally, being on the front line of calls coming in, she is our phone minister, providing pastoral spiritual triage when faith members call in need. Her presence adds compassion, warmth and kindness. Rachel excels at mercy giving.

Ryan Maher, Publication Design, Graphic Arts, and Technology Guru

Ryan lives in Springdale, AR, and is our in-house graphic arts design expert for all publications and video productions, and also the production editor of our bi-monthly magazine, *The Sower*. Additionally, Ryan is responsible for the research and implementation of new technologies concerning our products. He is currently formatting ministry books onto e-books and exploring other ways to get our products distributed using the latest technologies. Ryan exudes a quiet strength paired with artistic creativity that brings stability.

Travis Williams, Webmaster

Travis has become our newest webmaster under the mentorship and guidance of Ryan Maher. As such he oversees our ministry website, www.STFonline.org, as well as our doctrinal websites, www.TruthorTradition.com and www.BiblicalUnitarian.com. In 2007 Travis built our new Internet bookstore. He also oversees the updating of the websites by adding the latest Network News, photo albums, event information, etc. Travis displays wisdom beyond his years.

Dustin Williams, Finance and Publications, Administrative Assistant

Dustin plays a key role in the finance department, processing credit card donations, and handling disbursements to our international pastors and missionaries. He also provides data support such as the generation of year-end donor letters. Additionally, he provides publication support such as his current work on developing the topical index for *One God & One Lord* as we prepare for an updated publication. He also formats the Internet text versions of *The Sower*. Dustin has a Yaoman's heart and is known for his willing heart and great attitude.

Austin Williams, Web Support

Austin provides internet and website support by building behind the scenes many of the new features we keep adding to the websites, such as embedding links. He is overhauling many features on www.BiblicalUnitarian.com and

www.TruthorTradition.com As assistant to our webmaster, he also coordinates the many Bible questions we receive from the websites by screening them, answering them by providing links to articles we have already written, or by passing them on to others. Austin is known for his quiet resolve, kindness and great sense of humor.

Caleb Power, Production Assistant

Caleb works closely with Ryan Maher by performing various editing and graphic design services. Like Ryan, he lives in Springdale, AR, and works remotely. He is currently working on YouTube video teachings (approximately 95,000 views so far since March of 2009, averaging 541 views daily). Caleb is known for his kindness, compassion, and strong work ethic.

Dustin Speakes, Shipping and Receiving and General Office Support

Dustin Speakes plays a very necessary supporting role as he works to ensure our orders are processed properly and in a timely manner. He is always busy helping get a Teaching of the Month or numerous other products in the mail. Dustin works on a part-time basis. If there is something that needs to be done, Dustin is the first one to jump in and do it.

Renee Speakes, Shipping and Receiving and General Office Support

Renee also performs many of the same duties as Dustin. She also helps get our magazine, *The Sower* mailed as well as processing, packing, and shipping orders. She demonstrates a calm resolve and a prayerful approach to her tasks.

2. Staff Benefits

A. Healthcare

DG reported that the healthcare package was renewed in October of 2009. Anthem is the insurance carrier and we have an employee participating plan (employees are responsible for 30 percent, Spirit & truth Fellowship contributes 70 percent).

3. Cost of Living Adjustment (COLA)

DG recommended the review and consideration of providing a cost of living adjustment for all employees, excluding himself and John Schoenheit on the basis that it is a conflict-of-interest for them. It was noted that many of the employees have not had any raises despite the fact that they have all greatly increased work responsibilities and skills.

Discussion:

The Board reviewed all current staff pay levels, responsibilities and the various impacts from a 2%, 3% and 5% COLA. 5% increase was a net-operating increase of about \$1,000 per month.

- The board agreed to provide a 5% COLA increase to the staff, excluding DG and JWS. It was noted that MP abstained from the vote to avoid any conflict-of-interest.

Board adjourned at 6:00 PM, ET. Fellowship at Gallagher Home Church, 6:30 PM - 9:00 PM

Spirit & Truth Fellowship International

180 Robert Curry Drive, Martinsville, IN 46151

Annual Board Meeting

January 14, 2010

Thursday

9:00 AM – 5:00 PM, ET

Attendance:

Present: Dan Gallagher (DG), Mike Patten (MP), John Schoenheit (JWS), Gary Theisen, MD (GT), and Karen Theisen, LPC (KT)

Guests (staff): Guests: Dustin Williams, Austin Williams

Board Meeting

The meeting opened with prayer and a manifestation after which staff was dismissed to resume their normal work duties.

1. Calendar of Events

The board spent considerable time reviewing the various events of 2009. Various event scenarios and planning were reviewed.

Servant Leadership Event

This year's Servant-Leaders meeting was very beneficial and much time was spent determining how to make this a recurring annual event. Consideration was given on how to provide discounts to those hosting a home church and how to build vision, especially by showcasing our Camp Vision and camp improvements.

The various events approved for 2010 are listed below.

2010 Event Calendar

Dates	Event	Location	Event Team & Board Member Assigned
1/11-16	Annual Board Retreat	Martinsville, IN	DG, MP, JWS, GT, & KT
3/18-20	One Flesh Couple's Conference	Springdale, AR	GT & KT, James & Renee Anderson
3/27	Camp Vision Clean Up Day	Camp Vision	DG, MP
4/3	Camp Clean Up Day (Alternate)	Camp Vision	DG, MP
4/4	Resurrection Celebration	Camp Vision	DG, MP, & JWS
4/30-5/2	Asheville National Conference	Asheville, NC	DG, Eddie DeBruhl
5/4-8	Silent Retreat	Camp Vision	Lori Gallagher
6/6-11	Mission Trip	Appalachia	Jenivee Schoenheit
6/11-13	Servant-Leaders Conference	Bloomington, IN	DG, MP, JWS, GT, & KT
7/10	Camp Counselor Training	Camp Vision	Mary Patten
7/11-17	Teens & Twenties Camp	Camp Vision	MP, Renee Anderson
9/3-6	Twenties Conference	Camp Vision	JWS, Jackson Trigg
9/16-19	Women's Conference	Camp Vision	KT, Mary Patten, & Jenivee Schoenheit
10/21-24	Men's Conference	Camp Vision	DG, MP, JWS
10/27-31	Silent Retreat	Camp Vision	Lori Gallagher
12/29-1/1	Live Out Loud	Bradford Woods	Pending

2011 Event Calendar (subject to change)

Dates	Event	Location	Event Team Board member assigned
1/17-21	Annual Board Retreat	Martinsville, IN	DG, MP, JWS, GT, & KT
3/2	Camp Vision Clean Up Day	Camp Vision	DG, MP
4/2	Camp Clean Up Day (Alternate)	Camp Vision	DG, MP
4/24	Resurrection Celebration	Camp Vision	DG, MP, & JWS
4/30-5/2	Asheville National Conference	Asheville, NC	DG, Eddie DeBruhl
5/11-15	Silent Retreat	Camp Vision	Lori Gallagher
Pending	Mission Trip	Appalachia	Jenivee Schoenheit
7/9	Camp Counselor Training	Camp Vision	Mary Patten
7/10-17	Teens & Twenties Camp	Camp Vision	MP
7/30-8/6	Our Power in Christ Seminar	Camp Vision	DG, MP, JWS
9/2-5	Twenties Conference	Camp Vision	JWS
9/15-18	Women's Conference	Camp Vision	KT
10/20-23	Men's Conference	Camp Vision	DG, MP, JWS
10/26-30	Silent Retreat	Camp Vision	Lori Gallagher
11/4-6	One Flesh Couple's Conference	Camp Vision	GT, KT
12	Live Out Loud	Bradford Woods	Pending

2. Our Power in Christ Seminar (2011)

We have desired to produce a seminar on our spiritual power in Christ that would provide an understanding of the power manifestations.

Discussion:

In order to best serve those who attend, we believe it is necessary to establish some prerequisites. This idea led to further discussion concerning developing an educational curriculum that would provide a solid doctrinal and practical basis for genuine discipleship.

Prerequisites under consideration:

- a. Books and Seminars with Testing
 - i. *Don't Blame God! A Biblical Answer to the Problem of Evil, Sin, and Suffering*
 - ii. *Prophecy: Understanding and Utilizing the Manifestations of Prophecy*
 - iii. *The Gift of Holy Spirit: The Power to Be Like Christ*
 - iv. *The Christian's Hope: The Anchor of the Soul*
 - v. *Death and Resurrection to Life Seminar*

3. Mini-Seminars to be Developed in 2010

- i. Who You are in Christ (emphasis on character)
- ii. Fruit of the Spirit
- iii. Renewing Your Mind
- iv. Maturing in Christ
- v. The Spiritual Battle

4. Ministerial Restoration Policy

DG distributed an outline for a "Ministerial Restoration Policy" for consideration and discussion.

Discussion.

The basis of this policy is to provide a framework in which those who are leaders in this ministry know, in the event they sin in an egregious manner, what steps will be followed if they are to be restored to ministry. The plan would follow a five-step process.

Phase One: Recognition and Repentance

Phase Two: Discovery of Cause

Phase Three: Healing

Phase Four: Observation and Testing

Phase Five: Growing in Responsibility

- The Board agreed to continue to develop the plan.

6. STF Ordination Policy

The board reviewed the Ordination policy.

Discussion:

We believe there are times when ordination is beneficial, for both the individual ordained and the faith community at large. Our primary reason for ordaining certain individuals is because it sometimes affords them an increased ability to serve others. Traditionally, this increased service as a “minister” includes the ability to officiate at weddings, and provides special rights of visitation to those who are sick or in prison. There are also times when ordination may increase a person’s ability to serve by allowing them to represent the ministry of Spirit & Truth Fellowship in a geographical area, and to carry some administrative responsibilities on behalf of the organization.

- The board agreed that the Ordination policy will be reviewed following some additional edits.

7. Inventory of YouTube Videos

The Board reviewed the list of all YouTube videos produced to date and discussed various strategies and plans for future video productions. We currently have over 125 videos that have been produced and viewed over 95,000 times throughout the world in approximately six months.

8. Financial Review (with Janet Speakes and Dave Hanson via Teleconference)

Dave Hanson, Treasurer and Janet Speakes, Finance Manager discussed the ministry finances, including our bookkeeping system and financial reporting methodology.

1. Peachtree Accounting Problems

- a. Bookstore inventory is currently not being shown as an asset. The value of this could be in excess of \$59,000. Adjustment for this item will increase our current assets and net operating position for 2009 by at least \$59,000.
- b. Our extensive research library is currently not being shown as an asset. JWS will provide an evaluation of the library, which will then be adjusted in our financial records.
- c. Our current “Restricted Funds” account needs to be valued as assets, not liabilities.

- d. It will be beneficial to create a clearer distinction between Spirit & Truth Fellowship and the Camp Vision accounting books. For 2010, we need to move insurance reserve for Camp Vision to the CV account.
- e. Dave discussed the theory of the Quick ratio (total current assets divided by current liability) and indicated that we are in an excellent financial position given that we have virtually no long-term liabilities to speak of.
- f. Reviewed and addressed automobiles donated to the ministry.
- g. A correction on the books needs to be done for a stock donation that was liquidated in 2004-5. Dave and Janet to review the records for this time period to determine how the sale was recorded so that it can be zeroed for 2009. Janet to get appropriate discs to Dave.
- h. Dave explained concept of chart of accounts. The optimum would be for the Income Statement to be no more than one page for an organization our size. Correcting this will improve its use as a management tool. This to be corrected for 2010.
- i. The balance sheet indicates good financial stewardship.

2. Finance Committee

Dave agreed to chair the Finance Committee as Treasurer. The board will work with Dave to reconstitute the Finance Committee.

3. Evaluation of President and Chief Executive Officer

The Board formally evaluated the performance of President and the Chief Executive Officer through the use of the standard employee appraisal forms. Additionally, the staff will complete 360 degree evaluations.

Spirit & Truth Fellowship International

180 Robert Curry Drive, Martinsville, IN 46151

Annual Board Meeting

January 15, 2010

Friday

9:00 AM – 2:00 PM, ET

Attendance:

Present: Dan Gallagher (DG), Mike Patten (MP), John Schoenheit (JWS), Gary Theisen, MD (GT), and Karen Theisen, LPC (KT)

Board Meeting

The meeting opened with prayer and a manifestation.

1. Board Itineraries for 2010

The board discussed potential places where DG, MP, and JWS could visit to provide support to God's people both domestically and internationally.

2. *The Sower* Planning

The following themes were discussed for future editions of *The Sower* in light of our 2010 and 2011 ministry themes.

1. Jan/Feb: Standing on the Firm Foundation
2. March/April: Fellowship, Let's Get Together
3. May/June: The Role of Women in the Church
4. July/August: Humility in Servant Leadership
5. September/October: The Spiritual Battle
6. November/December: Victory in Christ
7. January/February 2011: Your Identity in Christ

There being no further business, the Annual Board Meeting was adjourned, 2:00 PM ET.

Appendix A

Spirit & Truth Fellowship International

Board Policies Manual (BPM)

This version of the BPM was approved by the board on January 12, 2010.

Part 1: Introduction and Administration

This Board Policies Manual (BPM) contains all of the current standing policies adopted by the board of Spirit & Truth Fellowship International since the initial approval of the BPM on January 12, 2010.

1.1 **Reasons for Adoption.** The reasons for adopting this BPM include:

- * Efficiency of having all ongoing board policies in one place
- * Ability to quickly orient new board members to current policies
- * Elimination of redundant or conflicting policies over time
- * Ease of reviewing current policy when considering new issues
- * Providing clear, proactive policies to guide the Chief Executive Officer (CEO) and staff.

1.2 **Consistency.** Each policy in this document is expected to be consistent with the law, the articles of incorporation, and the bylaws, all of which have precedence over these board policies. Except for time-limited or procedural-only board decisions (approving minutes, electing an officer, etc.) which are recorded in regular board minutes, all standing policies shall be included or referred to in this document. The CEO is responsible for developing organizational and administrative policies and procedures that are consistent with this BPM.

1.3 **Transition.** Whether adopted part by part or as a complete document, as soon as some version of the BPM is voted on as the “one voice” of the board, those policies are deemed to supercede any past policy that might be found in old minutes unless a prior board resolution or contract obligates the organization with regard to a specific matter. If any actual or apparent conflict arises between the BPM and other policies or board resolutions, the matter shall be resolved by the board as the board deems appropriate.

- 1.4 **Changes.** These policies are meant to be reviewed routinely and are frequently reviewed and refined. The CEO helps the board formulate new language in the BPM by distributing proposed changes in advance. When language is recommended for deletion, it is shown in ~~strike-through~~ format. Proposed new language is underlined. Each section with a proposed change can be preceded by the # sign to help readers quickly locate proposed changes. Any change to this BPM must be approved by the board. Proposed changes may be submitted by any board member as well as by the CEO. Proposed changes may be referred to and reviewed by the appropriate committee before being presented to the board for action. Whenever changes are adopted, a new document should be published, dated, and quickly made available to the board and staff. The previous version will be kept in a stored format for future reference.
- 1.5 **Specificity.** Each new policy will be placed appropriately in the BPM.
- 1.6 **Oversight Responsibility.** It is the responsibility of the CEO to ensure that the BPM is maintained and updated as needed.
- 1.7 **Maintenance of Policies.** The CEO or the CEO's designee shall maintain the policies file and provide updated copies to the board whenever the policies change, or upon request. The board may ask that legal counsel review this BPM to ensure compliance with the law. Discrete documents referred to in the BPM will be kept.

Part 2: Organization Essentials

- 2.1 Our **vision** is *Building an Enduring Work of Truth*.
- 2.2 Our **mission** is *"To provide sound, biblically-based teaching and training to equip and empower Christians, and to facilitate a network of likeminded individuals, fellowships, and churches."*
- 2.3 Our core **values** are *Truth, Integrity, Courage, and Liberty*.
- 2.4 Our motivation is to love God with all our heart, soul, mind and strength, and love our neighbor as ourselves. Mark 12:30, 31.
- 2.5 **Strategic Plans.** The board is expected to think strategically at all times. The board is expected to develop a staff strategic plan based on the policies in this BPM, update it as necessary and link major activities in the plan to the relevant sections of this BPM.

Part 3: Board Structure and Processes

- 3.1 **Governing.** The board will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership, clear distinction of board and staff roles, and proactivity rather than reactivity. In this spirit, the board will:

- 3.1.1 Enforce upon itself and its members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect for clarified roles, speaking to management and the public with one voice, and self-policing of any tendency to stray from the governance structure and processes adopted in these board policies.
- 3.1.2 Be accountable to the guidelines set forth in 1 Timothy and Titus.
- 3.1.3 Monitor and regularly discuss the board's own processes and performance, seeking to ensure the continuity of its governance functions by selection of capable directors, orientation and training, and evaluation.
- 3.1.4 Be an initiator of policy. The board itself, not others, is responsible for board performance.

3.2 Board Job Description. The job of the board is to lead and ensure the accomplishment of the organization's desired objectives. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. To perform its job, the board shall:

- 3.2.1 Determine the mission, values, strategies, and major goals/outcomes, and hold the CEO accountable for developing a staff strategic plan based on these policies.
- 3.2.2 Determine the parameters within which the CEO is expected to achieve the goals/outcomes.
- 3.2.3 Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.
- 3.2.4 Maintain and constantly improve all ongoing policies of the board in this BPM.
- 3.2.5 Select, fairly compensate, nurture, evaluate annually, and, if necessary, terminate a CEO.
- 3.2.6 Ensure financial solvency and integrity through policies and behavior.
- 3.2.7 Require periodic financial and other external audits to ensure compliance with the law and with wise stewardship practices.
- 3.2.8 Evaluate and improve our board's performance, and set expectations for board members' involvement as volunteers.

3.3 Board Member Criteria. In nominating members for the board, the board shall be guided by the Board Member Qualifications, See Bylaws Section 1.1.

3.4 Orientation. Each nominee shall be given this BPM along with adequate briefings on the role of the board, officers, and staff and an overview of programs, plans, and finances. Soon after election, each new board member will be given more comprehensive orientation material and training.

3.5 Chair's Role. The President acts as the board chair. The President may designate a vice-chair for the purpose of presiding over the board meetings. The job of the chair is, primarily, to maintain the integrity of the board's processes. The chair presides over board meetings. The chair is the only board member authorized to speak for the board, other than in rare and specifically board-authorized instances.

The chair ensures that the board behaves in a manner consistent with its own rules and those legitimately imposed upon it from outside the organization.

The authority of the chair consists only in making decisions on behalf of the board that fall within and are consistent with any reasonable interpretation of board policies. The chair, as an individual, has no authority to make decisions beyond policies created by the board. Therefore, the chair does not supervise or direct the CEO's work, but is expected to maintain close communication with, offer advice to, and provide encouragement to the CEO and staff on behalf of the board.

3.6 Board Meetings. Board meetings will include business sessions and often time for guest presenters, interaction with staff and beneficiaries, board training, and social activities. Policies that are intended to improve the process for planning and running meetings include:

3.6.1. The general schedule for board meetings shall be set one year in advance.

3.6.2. The CEO shall work with the chair and, if appropriate, the committee chairs in developing agendas, which, along with background materials for the board and committees, monitoring reports, the CEO's recommendations for changes in the BPM, previous minutes, and other such materials, shall be e-mailed to all board members approximately one week in advance of board meetings.

3.6.3 Minutes and the updated BPM shall be sent to board members within 14 days of board meetings.

3.6.4 Regular board meetings will be held a minimum of 2 times a year in the months of January and June, preceded by a reminder notice approximately 30 days in advance of the meeting date. Typically the board will meet on the second and fourth Monday of each month. The January annual meeting shall include a review of the planning and budgeting for the upcoming year, and will also include a review of the performance of the CEO and the organization for the past year. Special meetings of the board can be called according to the bylaws.

3.7 Committees. Committees help the board be effective and efficient. They speak "to the board" and not "for the board." Committees are not created to advise or exercise authority over staff. Once committees are created by the board, the board chair shall recommend committee chairs and members for one-year terms. The President and the CEO are non-voting *ex officio* members of all committees.

3.7.1 Committee Chair Job Description

Facilitate Committee Work

- Plan and lead committee meetings.
- Assign tasks to committee members.
- Monitor the group's progress, and communicate with staff members assigned to the committee, if any.
- Resolve conflicts among committee members.
- Arrange for the committee to evaluate its work at the end of each program year-or at the completion of its task-to determine whether it did what it had set out to do, and what did and did not work.

Communicate with the Full Board

- Serve as the liaison between the committee and the chief executive, the board chair, and the full board.
- Ensure that appropriate reports are submitted to the board, and keep the board chair and the Chief Executive Officer informed about the committee's progress.

3.7.2 Executive Committee. This committee shall comprise the President, Secretary, and the Treasurer. Except for the actions enumerated below, it shall have the authority to act for the board on all matters so long as the Executive Committee determines that it would be imprudent to wait for the next board meeting to take such action. With respect to any action taken on behalf of the board, (1) the Executive Committee is required to report the action to the board within 30 days, and (2) the board must approve the action at the next board meeting.

The Executive Committee is not authorized to make decisions or to take action with respect to the following matters:

3.7.6.1 Dissolving the corporation

3.7.6.2 Hiring or firing the Chief Executive Officer.

3.7.6.3 Entering into major contracts with or suing another entity.

3.7.6.4 Making significant changes to a board-approved budget.

3.7.6.5 Adopting or eliminating major programs.

3.7.6.6 Buying or selling property.

3.7.6.7 Amending the bylaws.

3.7.6.8 Changing any policies that the board determines may be changed only by the board.

3.7.3 Finance Committee. The Finance Committee is responsible for advising the board so that the board can ensure the organization is in good fiscal health. The work of the committee revolves around nine major areas.

1. Assist in maintaining accurate and complete financial records.
 - Monitor income and expenditures against projections.
 - Review and recommend financial policies to the board, adequate internal controls and how to maintain financial records in accordance with standard accounting practices.
2. Assist with maintaining accurate, timely, and meaningful financial statements, which are then prepared and presented to the board.
 - Present quarterly financial statements to the board.
3. Assist in budget preparation and financial planning.
 - Propose for board approval a budget that reflects the organization's goals and board policies.
 - Verify that the budget accurately reflects the needs, expenses, and revenue of the organization.
4. Assist with safeguarding the organization's assets.
 - Review proposed new funding for ongoing financial implications, recommending approval or disapproval to the board.
 - Ensure that the organization has the proper risk-management provisions in place.
5. Help the board understand the organization's financial affairs.
 - Ensure that the board is well informed about the organization's finances.
 - Educate the board about financial matters.
6. Ensure compliance with federal, state, and other requirements related to the organization's finances.
 - Ensure that organization maintains adequate insurance coverage.

- Ensure that the IRS Form 990, other forms, and employment and other taxes required by government are filed completely, correctly, and on time.
- 7. May periodically establish a Compensation taskforce, as approved by the board, to advise the board concerning employee wages and benefit packages.
- 8. Committee Chair. The Treasurer shall serve as the Finance Committee Chair, and they shall operate in accordance with the Committee Chair Description.
- 9. **Committee membership criteria.**
 - Demonstrate a lifestyle and character consistent with the dictates of 1 Timothy 3:1-13 and Titus 1:6-9.
 - Able to demonstrate financial expertise, or abilities, or callings that serve the needs of the committee.
 - Service on this committee requires an application consisting of a resume or curriculum vitae, and a willingness to submit to a background check.
 - Demonstration of consistent financial support of the ministry as a Partner or Contributor.
 - All members serve a one-year term that may be renewed.
 - The Board of Directors shall approve all committee membership.

3.8 Advisory Groups, Councils, and Task Forces. To increase its knowledge base and depth of available expertise, the Board endorses the use of groups, councils, and task forces of qualified advisers. The term "task force" refers to any group appointed by the CEO or the President, and approved by the board, to assist him or her in carrying out various time-limited goals and responsibilities.

3.9 Board Members' Code of Conduct. The board expects of itself and its members ethical and businesslike conduct. Board members must offer unconflicted loyalty to the interests of the entire organization, superseding any conflicting loyalty such as that to family members, advocacy or interest groups, and other boards or staffs of which they are members. Board members must avoid any conflict of interest with respect to their fiduciary responsibility. There must be no self-dealing or conduct of private business or personal services between any board member and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.

- 3.10 Board Finances.** Every board member is expected to be a donor of record in each calendar year. Expenses incurred to fulfill board activities normally can be an individual tax deduction; however, any board member may submit for reimbursement any expenses incurred to attend board or committee meetings.

Part 4: Board–CEO/Staff Relationship

- 4.1 Delegation to the Chief Executive Officer (CEO).** While the board’s job is generally confined to establishing high-level policies, implementation and subsidiary policy development are delegated to the CEO.
- 4.1.1 All board authority delegated to staff is delegated through the CEO, so that all authority and accountability of staff—as far as the board is concerned—is considered to be the authority and accountability of the CEO.
- 4.1.2 Organization Essentials policies (Part 2) direct the CEO to achieve certain results. Executive Parameters policies (Part 5) define the acceptable boundaries of prudence and ethics within which the CEO is expected to operate. The CEO is authorized to establish all further policies, make all decisions, take all actions, and develop all activities as long as they are consistent with any reasonable interpretation of the board’s policies in this BPM.
- 4.1.3. The board may change its policies, thereby shifting the boundary between board and CEO domains. Consequently, the board may change the latitude of choice given to the CEO, but so long as any particular delegation is in place, the board and its members will respect and support the CEO’s choices. This does not prevent the board from obtaining information in the delegated areas.
- 4.2 CEO Job Description.** As the board's single official link to the operating organization, CEO performance will be considered to be synonymous with organizational performance as a whole. Consequently, the CEO's job contributions can be stated as performance in two areas: (a) organizational accomplishment of the major organizational goals, and (b) organizational operations within the boundaries of prudence and ethics established in board policies on Executive Parameters.
- 4.3 Communication and Counsel to the Board.** With respect to providing information and counsel to the board, the CEO shall keep the board informed about matters essential to carrying out its policy duties. Accordingly, the CEO shall:
- 4.3.1 Inform the board of relevant trends, anticipated adverse media coverage, and material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established, always presenting information in as clear and concise a format as possible.

4.3.2 Relate to the board as a whole except when fulfilling reasonable individual requests for information or responding to officers or committees duly charged by the board.

4.3.3 Report immediately any actual or anticipated material noncompliance with a policy of the board, along with suggested changes.

4.4 Monitoring Executive Performance. The purpose of monitoring is to determine the degree to which the mission is being accomplished and board policies are being fulfilled. Information that does not do this shall not be considered monitoring. Monitoring will be as automatic as possible, using a minimum of board time, so that meetings can be used to affect the future rather than to review the past. A given policy may be monitored in one or more of three ways:

4.4.1 **Direct board inspection:** Discovery of compliance information by a board member, a committee, or the board as a whole. This includes board inspection of documents, activities, or circumstances that allows a "prudent person" test of policy compliance.

4.4.2 **External report:** Discovery of compliance information by a disinterested, external person or firm who is selected by and reports directly to the board. Such reports must assess executive performance only against legal requirements or policies of the board, with suggestions from the external party as to how the organization can improve itself.

4.4.3 **CEO reports:** The CEO shall help the board determine what tracking data are available to measure progress in achieving the mission and goals and conforming to board policies. Currently the board requests these regular monitoring reports, in addition to any specific reports requested in other sections of the BPM:

4.4.3.1 Monthly: Informal CEO reports on achievements, problems, and board notices.

4.4.3.2 Quarterly: (a) A one- or two-page "dashboard" report showing agreed-upon key indicators that track designated financial and program results over a three-year period in graphic form; (b) other summary reports as the board may define in this BPM.

4.5 Annual Performance Review. The board shall formally evaluate the President and the CEO annually based on achievement of organizational goals and any other specific goals that the board and the President and CEO have agreed upon in advance. During this process, the President, CEO, and the board will agree on any specific, personal performance goals for the year ahead. In addition to a board review, the President and CEO will have a "360" staff review.

4.6 Staff Compensation. The CEO, subject to board oversight and approval, is expected to hire, train, motivate, compensate, and terminate staff in a professional and caring fashion.

The CEO will be responsible for maintaining an employee manual that is reviewed and updated annually.

4.7 Staff Treatment. With respect to treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are inhumane, unfair, or undignified. Accordingly, the CEO may not:

4.7.1 Discriminate among employees on other than clearly job-related, individual performance or qualifications.

4.7.2 Fail to take reasonable steps to protect staff from unsafe or unhealthy conditions.

4.7.3 Withhold from staff a due-process, unbiased grievance procedure.

4.7.4 Discriminate against any staff member for expressing an ethical dissent.

4.7.5 Prevent staff from grieving to the board when (a) internal grievance procedures have been exhausted and (b) the employee alleges that board policy has been violated to his or her detriment.

4.7.6 Fail to acquaint staff members with their rights under this policy.

4.8 CEO Transitions. The incumbent CEO shall give the board, if possible, a three-month notice of intent to leave that office. Any need for an acting or interim CEO will be determined by the board.

Part 5: Executive Parameters

5.1 General Guidance. The purpose of the remainder of the BPM is to detail those executive parameters that will guide the CEO and the staff as they accomplish the mission. These parameters are intended to free the CEO and the staff to make timely decisions without undue board directives. The board expects that the CEO will do nothing that is illegal, unethical, or imprudent. Beyond these general parameters, the board details its executive parameters in the major sections that follow in Part 5.

5.2 Finance Parameters. The CEO must ensure that the financial integrity of the organization is maintained at all times; that proper care is exercised in the receiving, processing, and disbursing of funds; and that financial and nonfinancial assets are appropriately protected.

5.2.1 Budgeting. The budget during any fiscal period shall not (a) deviate materially from the board's goals and priorities, (b) risk fiscal jeopardy, or (c) fail to show a generally acceptable level of foresight. Accordingly, the CEO may not cause or allow budgeting that:

5.2.1.1 Contains too little detail to (a) enable accurate projection of revenues and expenses, (b) separate capital items from operational items, (c) monitor cash flow and subsequent audit trails, and (d) disclose planning assumptions.

5.2.1.2 Anticipates the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

5.2.2 Financial Controls. The CEO must exercise care in accounting for and protecting the financial assets of the organization. To this end, the CEO is expected to incorporate generally accepted accounting principles and internal controls in the financial systems that are employed in the organization. In addition, the CEO may not:

5.2.2.1 Receive, process, or disburse funds under controls insufficient to meet the board-appointed auditor's standards.

5.2.2.2 Approve an unbudgeted expenditure or commitment of greater than \$ 5,000 without the approval of the board.

5.2.3 Asset Protection. The CEO may not allow assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the CEO may not:

5.2.3.1 Fail to insure against theft and casualty losses to at least 80 percent of replacement cost and against liability losses to board members, staff, or the organization itself beyond the minimally acceptable prudent level.

5.2.3.2 Subject office equipment to improper wear and tear or insufficient maintenance.

5.2.3.3 Unnecessarily expose the organization, its board, or its staff to claims of liability.

5.2.3.4 Acquire, encumber, or dispose of real property without board approval.

5.2.4 Investment Principles. The CEO may not invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest-bearing accounts, except where necessary to facilitate operational transactions.

5.3 Program Parameters. In general, the CEO is expected to establish, maintain, and eliminate programs and services to achieve the organization's mission and goals in the most effective and efficient manner.

5.4 Advancement Parameters. The various efforts to represent the organization to the public (media, public relations, fund-raising, new member recruitment, etc.) shall be integrated sufficiently that the organization's brand/positioning in the external world is positive and effective.

5.4.1 Fund-Raising Strategy. The CEO shall develop and maintain fund-raising plans.

5.4.1.1 Donor Rights. The CEO shall not allow the names of donors to be revealed outside the organization without their permission, represent to a donor that an action will be taken that violates board policies, fail to honor a request from a donor as to how her/his contribution is to be allocated, fail to confirm receipt of a donor's contribution, or fail to send a donor an annual summary of donations in compliance with the law.

5.4.2 Public Affairs. The CEO shall exercise care in representing that we are a not-for-profit Christian para-church ministry, and shall develop policies and procedures for communicating with primary stakeholders and the public at large in a way that reinforces that image.

5.5 Audit and Compliance Parameters. The CEO shall take the necessary steps to ensure the integrity of our systems and procedures; to see that they comply with all pertinent legal, regulatory, and professional requirements; and to report to the board any material variations or violations.

5.5.1 Internal Compliance. The CEO shall meet all requirements for complying with federal, state, or local laws and regulations.