

**Submitted by: IPHC Study Commission**

**ORGANIZATIONAL STRUCTURE,  
GOVERNANCE, AND FINANCIAL STUDY  
COMMISSION OF THE INTERNATIONAL  
PENTECOSTAL HOLINESS CHURCH**

**July, 2024**

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# ORGANIZATIONAL STRUCTURE AND GOVERNANCE OF THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH **A CONCEPTUAL MODEL**

## OVERVIEW

We are at a crossroads as a movement! The critical decisions over the next few years will determine our future. The early days of our movement were very missional. Our passion to reach lost people with the gospel of Jesus Christ was evidenced by our growing and multiplying churches. From our single location, we have grown to an international church.

However, our denomination has experienced the same rate of decline over the last decade as most mainline denominations. In the past five years, we have lost nearly 100 churches and over 50,000 members.

Our denomination leaders, conference officials, and pastors are excellent and dedicated men and women who have worked diligently to serve and build the IPHC. They have given their heart and soul to this movement's mission. The time has come to recalibrate our approach and realign our structure and strategies with the current demands placed upon churches and pastors. Over time, the culture and our world have changed, but our structure and approach to ministry have remained the same.

This report is the cumulative result of the study commission's year of research, analysis, and vigorous deep work to explore and propose needed and positive change to realign our denomination's finance and organizational structure with the singular focus of resourcing the local church.

Our overarching directive is to build, develop, and nurture strong local churches—many, if not most, of which are in decline. Together, we will discuss the vision for the IPHC around the world and invite its members (of all levels of leadership) to discern God's direction for our global movement over the next quadrennium.

We all agree growth happens at the local church level. Converts are baptized, members are received, communion is observed, and discipleship occurs. Then, leaders are discovered and appointed to serve locally, regionally, and nationally. Resources are gathered to build the Kingdom of God—all at the local church level.

Inevitably, as goes the local church, so goes our great movement. Currently, about 80% of our local churches are less than 100, and about 50-60% of our pastors are bi-vocational or retired but still serve as pastors. Our plateaued or declining churches need nurturing to become strong and vibrant.

To nurture is to ...

- Foster: help develop, help grow
- Rear: bring up, as in “raise a family,” “bring up children”
- Nourish: provide with nourishment

The New Testament repeatedly emphasizes the importance of nurturing in the local church.

*“And let us consider how to stimulate one another to love and good deeds, not forsaking our own assembling together, as is the habit of some, but encouraging one another; and all the more, as you see the day drawing near.” Hebrews 10:24-25*

The Hebrews 10 passage attributed to the last days evokes a dire sense of urgency. Our time is limited. We must possess the same sense of urgency! Our urgency must be to focus on the most essential and vital aspect of our movement: the local church! We can address the challenges local churches are experiencing and realign ourselves to meet the pressing needs presented to pastors and local churches.

In a hospital, one area touches and raises the level of excellence and care in all aspects of the hospital. That area is the Emergency Department. When hospital administrators seek to improve the hospital's overall performance, it begins with the Emergency Department. It is because this area connects to all aspects of the hospital. It connects to surgery, radiology, hospital floors, pharmacy, etc. These are all interconnected. Raising the level of the one raises the level of all.

The one singular area of focus for improving the local church is “The Pastor.” The best way to help the church is to help the pastor. The best way to serve the church is to serve the pastor. They are the single “top driver” of the ministry efforts that advance kingdom potential. The pastor is the key to the growth and success of our movement. The key factor to realizing vision is the pastor. However, as goes the pastor, so goes the local church! They are the central figure in God’s divine plan to evangelize the world, build His Kingdom, and demonstrate His glory.

Therefore, it is the recommendation of this task force that we become singularly focused on our commitment to being a church that is “pastor passionate.” We must raise the intensity level of our service to pastors. We must serve pastors so that they can become the God-given, grace-filled, Spirit-activated leaders that will lead every local congregation or mission.

Our conviction is that as this movement pours into and invests in our pastors, we will secure the future strength of our churches and ongoing ministries.

Pastors and their families live under incredible pressure. Their lives are played out in a fishbowl, with the entire congregation and community watching their every move. They are expected to have ideal families, be perfect people, always be available, never be down, and have all the answers they need to keep their lives stable and moving forward.

*Christianity Today* published the results of a survey in April 2023, reporting that 1 in 4 pastors plan to retire by 2030. The average age of pastors in many of our conferences is about 58. In many of our conferences, bi-vocational or retired pastors compose most of the pastors leading congregations. There is a desperate need for a harvest of young leaders to continue the transfer of faithful service from one generation to another.

This task force explores and focuses on denominational influence in serving pastors and churches. First and foremost, this is accomplished through building relationships and resourcing pastors. As Jim Collins indicated in *Good to Great*, “Unless an organization is willing to confront the brutal facts, that organization is unlikely to make good decisions.”

The problem of church decline and stagnation has been the focus of scholars for the past fifty years, and the church’s need to reverse course and do a turnaround is as old as the New Testament scriptures. Jesus made a church health assessment of the churches in Asia as detailed in Revelation chapters two and three. Five of the seven churches were warned to take corrective action or risk the consequence of discipline or closure. Five of the seven churches (72%) had lost a sense of vitality. The American church as a whole is 70-80% in decline as well. Many of our churches are plateaued or declining.

Each letter starts with the same addressee: “*To the angel of the church in...*” The Greek word *Angelos* (angel) is defined as a messenger and is commonly interpreted to mean the pastor or leader of the church.

Our denomination is uniquely positioned to be a significant influence in assisting local pastors and congregations, but this will require a recalibration of our values and priorities for mission.

We have advantages that could position us for a unique role in assisting churches in decline. First, the denomination shares the same general values of the local church’s mission. Secondly, the denomination has a relationship with the local church rooted in trust and confidence. Thirdly, the denomination has financial and personnel resources that can be made available to churches. Churches that need to be revitalized often require assistance and resources. The proposed reassignment of financial resources (detailed later) will provide more opportunities and better opportunities for relationships and resources for the pastors and their congregations from the conference leadership teams.

Just as struggling churches are often the result of missional drift, denominations can also experience it. Paul Borden, an executive officer for the American Baptist Churches in Northern California, stated that one sign of missional drift is that “There is far

more time and effort in keeping the institution going than in focusing resources on the local congregation as the major unit of mission.”

In his overview of the Lilly Endowment’s funding for research on the mainline denominational decline, the James Lewis Center for Church Leadership noted that “Discerning and implementing the internal institutional strategies that can revitalize congregations and denominations in this cultural context is, of course, the task of creative and resourceful religious leaders.”

It becomes the responsibility of overseeing structures and organizational leaders to discover, develop, and implement congregational and denominational health strategies.

In his book, *Recalibrate Your Church: How Your Church Can Reach Its Full Kingdom Impact*, Troy Jones asserted that all leaders and churches will eventually need to recalibrate their methodology and culture. Jones, the founder and director of The Recalibrate Group, stated, “I have formulated one core transferable principle about churches and organizations of all sizes and styles: You either create a culture of continuous recalibration, or your church will slowly and steadily drift off mission.”

Ed Stetzer stated, “Revitalization is hard work. Support from a local church’s denomination could help that church flourish during the revitalization process. There is value in not standing by and doing nothing as our congregations die, especially if they could benefit from our assistance.”

In conclusion, two choices exist. First, we can remain the same and focus on ourselves; invariably, the institution will become the main reason for our existence. Congregations will then be viewed as necessary to keep the denomination in existence. This is always unsustainable. Second, our leadership can desire to change the current trajectory of churches and pastoral vacancies and commit to helping churches in their turnaround from plateauing or declining to growing. To experience this turnaround will require transformation. Transformation requires change, change requires leadership, and leading change requires, among other things, courage and a tolerance for pain.

It is always painful to change the things we love and cherish, even if the benefits will make us better and stronger in the future. Progress is always painful. The changes necessary to achieve these goals would make us better aligned in our values and objectives and require us to make organizational, structural, and financial adjustments.

# ORGANIZATIONAL STRUCTURE AND GOVERNANCE OF THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH A CONCEPTUAL MODEL

## EXECUTIVE SUMMARY

The Study Commission undertook its work with solemn recognition and understanding that the IPHC was founded upon the power of the Holy Spirit and guidance from the Word of God. This work was conducted with a focused respect for IPHC leadership, past and present. Our goal, and we believe that of every individual who associates with the IPHC, is to diligently pursue the Lord and, through the power and leading of His Holy Spirit, set our hearts, heads, and hands to accomplish the work of reaching the lost and creating disciples. We submit these recommendations in humility and prayerful supplication that His grace will accomplish God's plan for the IPHC.

This report summarizes the results of a one-year study to review the organization and finances of the International Pentecostal Holiness Church (IPHC) and to recommend changes to improve mission fulfillment and economic stability at the IPHC Global Ministries Center (GMC). The review and report fulfill the resolution passed at the 2022 Quadrennial Conference authorizing them. The review and resulting findings and recommendations are based on organizational design and practices rather than any specific person or persons.

### Key Findings

- I. The great majority of the work of the church of reaching the lost and creating disciples of Christ is accomplished at the local church level through effective local pastors.
- II. Although the current organization has an executive management and a governance branch, current practice does not reflect a good understanding of each branch's respective roles and responsibilities. This sometimes results in one branch fulfilling a duty that should be the other branch's responsibility.
- III. The current organization design at the GMC of four relatively autonomous operating centers produces functional impediments to the performance of the organization:
  - A. Leadership issues logically resulting from the existence of relatively autonomous operating centers.
  - B. Lack of overall synergism of strategies and efforts.
  - C. Lack of systematic and defined accountability within the organization.
  - D. Economic inefficiencies, often the result of duplication of effort and expense.

IV. The current organizational governance practices often do not correctly align with the intent of some aspects of the IPHC Constitution and Bylaws. The documents are clear that the Council of Bishops (COB) is the ultimate governing authority of the organization when the General Conference is not in session. However, the study commission found that the COB, as it currently functions, is not effectively fulfilling this responsibility. Although we believe many of the policies and practices currently in place were well-intended when they were initiated, they have resulted in creating too much distance between the COB and its actual governance responsibilities.

**V. Key Recommendations**

1. A new organizational structure designed with an over-arching goal to better serve local churches and pastors.
2. A new organizational structure that establishes and encourages unified effort and collaborative management.
3. Improved clarification of the roles and responsibilities of both the governance branch and the executive branch of the organization, and new practices to enhance collaborative and generative interaction between the two, but always mindful that the duties and responsibilities are separate and distinct.
4. Establishment of a clear chain of command and accountability throughout both the GMC (Executive) and the COB (Governance) branches.
5. Creating a culture of unified strategies and shared responsibility to accomplish mission fulfillment with economic sustainability.
6. Combining the Evangelism USA and Discipleship Ministries departments into a new Church Ministry Department.
7. Provide additional funding to the conferences by updating the GMC funding model to provide conferences with increased resources to support local churches and local pastors, and to support the implementation of resources created by the Church Ministry Department.

# ORGANIZATIONAL STRUCTURE AND GOVERNANCE OF THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH **A CONCEPTUAL MODEL**

## INTRODUCTION

One of the first organizational effectiveness reviews likely occurred approximately 3,500 years ago. Following God's instructions, Moses had led the people of Israel out of Egyptian bondage and into a long journey to their promised land. Along the way, Moses took on the role of being the sole arbiter of disputes among the people. The task was huge, and in Exodus 18, we learn that Moses worked from sun-up to sun-down most days to settle these grievances. Enter the first recorded advice from a management consultant. While Moses' father-in-law, Jethro, was visiting Moses in the desert, he observed that most of Moses' time and energy was consumed by tasks others could handle. Jethro saw that while Moses was good at judging, this activity kept Moses from addressing the higher needs of the group, and the folks were suffering for it. Jethro proposed a new organizational structure, and Moses wisely adopted it. This structure supported the overall needs of the people and allowed Moses to accomplish the larger goals. Jethro proposed an appropriate and effective organizational structure, Moses adopted it, and everyone benefited. Organizational structure *matters!*

The historian Alfred Chandler of Harvard Business School wrote a seminal book published in 1977 on the history of strategic decision-making at the highest levels of corporate America called *The Visible Hand: The Managerial Revolution in American Business*. In this work, Chandler proclaimed a maxim for the ages that has been followed as

doctrine by strategists and consultants alike ever since. The maxim: “Structure follows Strategy.”

That is to say, all aspects of an organization’s structure, from the creation of divisions and departments to the designation of reporting relationships, should be made while keeping the organization’s strategic objectives as a primary focus. If an organization’s structure does not fully enable and empower the organization to accomplish its strategic goals, it is hindering that accomplishment, but there are other requirements of organizational and strategic planning as well.

According to renowned Christian strategist, administrator, and highly sought-after nonprofit consultant, the late Dr. Robert E. Cooley, there are two guiding objectives that any organizational or strategic planning must accomplish: *Mission Fulfillment and Economic Sustainability*. No matter how elegant or simplistic an organizational structure might be, it cannot be considered a success if these two objectives are not accomplished. A strategy or structure supporting that strategy cannot be regarded as effective or successful if the organization’s mission is not accomplished. Clearly, an organization cannot achieve enduring success if its plans and structures are not economically sustainable.

To summarize, an organization’s structure must:

1. *Enable and empower effective and efficient execution of its strategies.*
2. *Achieve mission fulfillment on an ongoing basis.*
3. *Accomplish these objectives in an economically sustainable manner.*

If any organization is not consistently achieving these objectives, good stewardship requires a critical self-examination of the organization, identification of what needs to be

changed to accomplish these objectives, and courageous leadership to implement the necessary changes that will lead to the achievement of these objectives.

This study commission's task is to examine and identify specific recommendations that will improve IPHC mission fulfillment, economic sustainability, and the successful execution of its defined strategic priorities. As we undertake the assigned tasks, this study commission seeks the Holy Spirit's help, guidance, and wisdom in all our work. It is important to note that the analysis and recommendations presented herein are written from a perspective of form and function of the organization as a whole rather than as a review of any particular person or persons within the organization.

## **BACKGROUND AND OBJECTIVES**

The 2022 Quadrennial General Conference of the International Pentecostal Holiness Church (IPHC) approved a resolution calling for a study commission to be formed to review and provide recommendations regarding the finance and structure of the IPHC from the local church to the general level. This resolution was, in part, based upon a study authorized by resolution at the 2018 General Conference, which stated that more of the denomination's focus should be placed on the local church.

The minutes of the 2018 General Conference help to inform the intent of that study:

*"In order to enhance the International Pentecostal Holiness Church's mission/outreach, the General Superintendent will direct the Council of Bishops in strategic planning for the structure and finances of the denomination on General, Conference, and local levels.*

- 1. The strategic planning will be initiated in the first year of the new quadrennium.*
- 2. The study will include a team of outside consultants commissioned by the Council of Bishops.*

*3. The Council of Bishops is authorized to implement the final recommendations of the strategic plan as deemed necessary."*

The 2022 resolution calls for a study commission to examine how the organizational and financial structure of the Global Ministries Center and our Conferences impact the work and effectiveness of local churches. The minutes of the 2022 General Conference provide the directive:

*"At the previous General Conference, a Resolution was made to study the structure (and finances) of the IPHC. That study determined that more focus of the denomination should be put on the local church. The study concluded that "since we draw all leadership, structure, and finances from these churches, they must be our focus," and "our attention and resources should go toward the growth and health of the local church."*

*In light of these statements, we call for a study commission, chaired by a Senior Pastor, to study the finance and structure of our denomination from the local church to the general level. The study commission would look at how the structuring of the Global Ministries Center and our Conferences work with the local church. Also, how the structure of the finances impacts the local church.*

*The delegation on this committee would be made up of (5) Pastors, (3) Lay Leaders, and (3) Conference Bishops, and would consult with the General level. The members of this committee would be selected by the Nominating Committee. It would begin no later than a year after the 2022 General Conference and would conclude in time for the 2022-2026 Bylaws Committee to be presented ideas for restructuring. This study would also be made available to the 2026 General Conference. The General Conference delegates would receive the report at the same time other reports are given out. Recommendations can also be made by the COB in session by a two-thirds majority vote."*

This paper summarizes the study commission's work examining the IPHC's current organizational structure and revenue allocation policies and provides recommendations that support the overall goal of emphasizing and supporting the local church.

## **SUMMARY OF CURRENT ORGANIZATIONAL STRUCTURE**

The IPHC's headquarters office in Oklahoma City is known as the Global Ministries Center. The Global Ministries Center comprises four ministry operating centers: the General Superintendent's Office, Discipleship Ministries, Evangelism USA, and World Missions Ministries.

The General Superintendent's office is headed by the General Superintendent of the IPHC, who also holds the title of Presiding Bishop. The other three ministry centers are each led by an Executive Director. All four of these ministry heads are elected by the General Conference every four years. While the General Superintendent provides executive leadership of the denomination, the General Superintendent does not currently have functional supervisory authority over the other three Executive Directors. Each Executive Director independently formulates operating strategies, budget priorities, staffing decisions, and operating activities for the ministry center under their direction. This structure potentially results in four relatively autonomous ministry divisions with diminished opportunity or incentive to coordinate objectives, planning, and operational activities.

At the regional level in the USA, the denomination is organized into 29 conferences. The Bylaws of the IPHC specify that the conference is the mid-level organizational body of the IPHC (Article II. A. 1). A conference is a group of churches that band together on a geographically logical basis to provide leadership and resources to the local conference-member churches. Every four years, each conference elects a slate of conference officials (Conference Superintendent, Assistant Conference Superintendent, Conference Secretary, Conference Treasurer, and Other Conference Executive Council Members) who administer

each conference's regional workings. Conference Superintendents hold the honorary title of Bishop and are the spiritual and administrative leaders of the conference.

Each conference Bishop is a member of the Council of Bishops (COB). The IPHC Constitution (Article II D) and the Bylaws of the IPHC (Article I D) each specify that the COB shall be the ultimate governing authority of the denomination when the General Conference is not in session. Each Conference Bishop holds one vote on the COB. Additionally, three Pastors and three lay persons are selected from the church to serve on the COB with voice but without vote. The placement of ultimate governing authority with the COB is a significant governance mandate by the IPHC Constitution and the IPHC By-laws. This mandate provides for representative and shared governance voice and vote across all conferences through the workings of the COB.

Article I. (E) of the IPHC bylaws also provides for a Council of Bishops Executive Committee (“Executive Committee”). The purpose of the Executive Committee is “to facilitate decision-making regarding the policies of the Council of Bishops between sessions.” The composition of the Executive Committee is specified in IPHC bylaws Article I. (E) and will be discussed later in this paper. The study commission determined that the best practice of the Executive Committee is to preview the most critical matters coming before the COB prior to regular meetings of the COB, to formulate and consider alternative actions, and to select a recommended course of action to recommend to the COB during regular COB meeting sessions.

Funding for the Global Ministries Center and the conferences is provided through a revenue-sharing plan articulated in the IPHC Bylaws. Article V (B) specifies that conferences

must send 10% of the clergy tithes received and 55% of the tithes received from conference churches to the Global Ministries Center. Article V (C) specifies that local churches must send 10% of the tithes and regular offerings received by the church to their affiliated conference office.

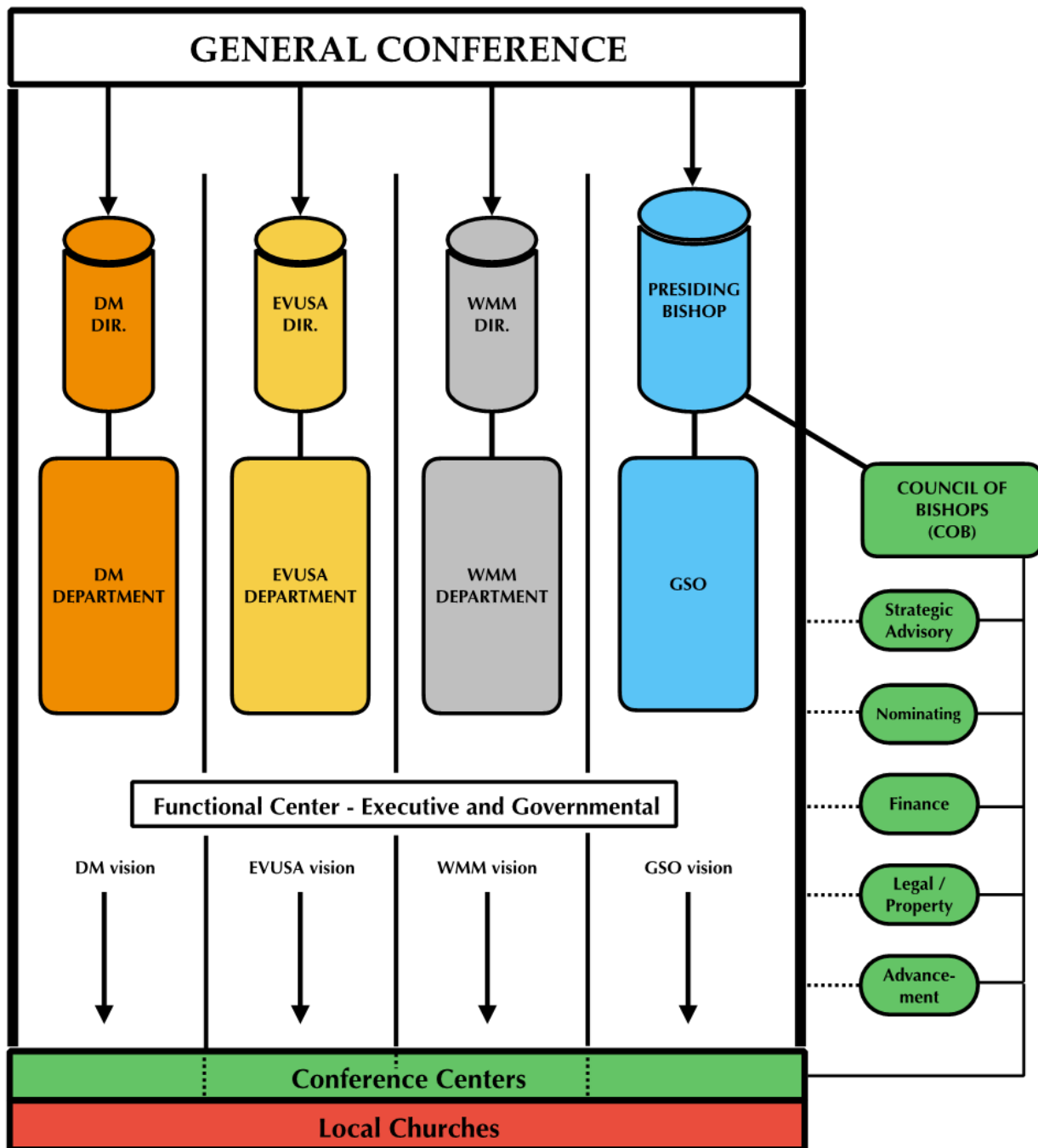
A review of the governance sections of the IPHC constitution and bylaws reveals that the document provides clear and definitive guidance regarding the denomination's governance. The document grants the COB the powers of the ultimate governing authority of the denomination when the General Conference is not in session. This clear delegation of authority to the COB provides good baseline guidance from the General Conference for organizational design considerations. It speaks to the intent of the General Conference that the denomination be governed by those officials more closely linked to the local church, the Conference Bishops. Conference Bishops work and communicate with local pastors on a very regular basis. They lead, live, and worship in the communities they serve. These Bishops are elected by conference delegates drawn from churches within their conference. This process provides a localized, representative voice in the denomination's governance. As a group, the Conference Bishops provide a cross-sectional representation of local churches in the USA. The Council of Bishops also offers the best opportunity for the denomination to gain ground-level intelligence by implementing grass-roots feedback programs with the COB regarding the needs present in the local church and programming successes at the local level.

The study commission found that the constitution and bylaws of the IPHC provide additional organizational design clues. The commission reviewed the current organizational

structure and created a diagram representing its view of the current structure. *(REFER TO FIGURE 1 ON THE FOLLOWING PAGE FOR A STRUCTURAL/FUNCTIONAL DIAGRAM OF THE EXISTING STRUCTURE OF THE DENOMINATION.)*

Through a review of IPHC organizational structures and governance practices currently in place, and with thoughtful consideration of how these structures and practices could be improved to emphasize the local church's success, the commission has created a conceptual model of a new organizational structure more closely following the governance guidelines provided by the constitution and the bylaws. The commission believes this model will provide many advantages and benefits to the organization and will better equip and serve local IPHC churches to successfully execute their mission through preaching the Gospel to reach the lost and create disciples.

**FIGURE 1: Existing Structural/Functional Layout of IPHC**



## A NEW ORGANIZATIONAL APPROACH

The study commission's overarching organizational design goal is to better serve local churches and Pastors. The commission recommends a revised organizational structure that will establish and support unified and collaborative management of the organization through shared and generative governance and strong managerial leadership.

One organizational design author states that effective organizational structures meet the following design criteria:

- Aligns the organization to best follow strategic direction
- Allows for clearly defined roles and responsibilities
- Clarifies who makes what decisions
- Enables clear accountability
- Pulls together the people who most need to work closely with each other
- Allows information to flow unrestrictedly to those who need it
- Creates manageable spans of control
- Is augmented by informal channels of cross-boundary communication

*(from "Strategy First.... Then Structure", Mark Rhodes, [Management Library, www.management.org](http://www.management.org), February 2022.*

These criteria are excellent objectives for reviewing and updating the IPHC organizational model. The commission recommends the adoption of a unified leadership structure to best accomplish these design criteria. Unified leadership refers to an organizational structure that clearly establishes and defines the chain of command for both the executive and governance functions and specifies how these branches are to work collaboratively and generatively to accomplish one well-designed, shared strategic plan for the entire organization.

It is vitally important that an organization's governing board and its executive officers understand the important but differing roles and responsibilities of each group. It is also

important that both of these groups understand that one is neither more nor less important than the other. The success of an organization is best enhanced when each group understands and performs its responsibilities at a high level and in a collaborative and symbiotic way. The distinctive and differing roles and responsibilities of governing boards and organizational executives have been the topic of much research, and a great deal of literature exists on the topic.

One of the most respected American management minds, Dr. Peter F. Drucker, was instrumental in helping to define the respective roles of boards and management. He also helped illuminate the pitfalls awaiting dysfunctional organizations in this regard.

*(Refer to Drucker, Peter F. "Drucker on the Non-Profit Board. Adapted from "Lessons for Successful Nonprofit Governance" (Nonprofit Management & Leadership, 1990) and Managing the Nonprofit Organization, both by Peter F. Drucker. Drucker Institute. [https://drucker.institute/wp-content/uploads/2018/08/Reading\\_Drucker-on-the-Nonprofit-Board.pdf](https://drucker.institute/wp-content/uploads/2018/08/Reading_Drucker-on-the-Nonprofit-Board.pdf).*

Dozens of articles and research papers on this topic exist. The Appendix lists references to several representative works for the reader interested in more information. The new organizational model is designed to drive responsibility, performance, and accountability of the Governance and Executive branches of leadership already provided by the IPHC governing documents. As mentioned above, it is crucial that each branch understands and executes its respective roles, responsibilities, and authorities and does so with accountability.

The Executive Branch is responsible for executing the strategic and operating plans of the organization and is granted authority to do so. The General Superintendent is accountable to the General Conference through the Conference of Bishops when the

General Conference is not in session. All other members of the Executive Branch are accountable to the General Superintendent, with the exception of the CFO, who is accountable to the Council of Bishops through the finance committee and the Executive Committee of the COB.

The Governance Branch is the ultimate governing authority of the organization. As previously mentioned, the IPHC Constitution and the IPHC Bylaws grant this authority to the Council of Bishops (“COB”), subject always to the General Conference, the Constitution, and the Bylaws. The Governance Branch determines the denomination’s overall strategies and policies and approves the annual budget plan. The Governance Branch oversees the Executive Branch but does not involve itself in actually doing the work of the Executive Branch.

Both branches must ensure that their strategies and objectives are harmonious and consistent and that they are supportive and collaborative with respect to each other. The COB is the ultimate governing authority in the organization, and the Executive team is responsible for managing the organization's activities. Each branch needs and depends on the other branch to achieve sustainable success, and as mentioned earlier, neither branch is more important than the other.

Possibly the most significant change recommended by this commission is that a single office of the General Superintendent (Presiding Bishop) has ultimate responsibility and authority for the Executive Branch with accountability to the General Conference through the COB.

The COB, in turn, shall be led by a Chair and a Vice-Chair, both currently serving as a conference superintendent and nominated and elected by the COB. As a leadership body, the COB has ultimate responsibility and authority for the Governing branch with accountability to the General Conference. This proposed COB structure best enacts the governance model set out by the General Conference as described in the IPHC Constitution and IPHC Bylaws.

The proposed organizational structure is designed to encourage and enable continuous collaboration between the Governance and Executive Branches. The organization is most efficient and effective when these two entities collaborate to identify and prioritize strategies and tactics. To better understand this collaborative and shared governance approach, let's examine the specifics of the overall design recommendation for each entity.

### **Governance Branch**

The Governance Branch of the organization is the Council of Bishops (COB). This entity is granted authority by the Constitution of the IPHC, Article II D:

*When the General Conference is not in session, the Council of Bishops shall be the highest authoritative council, board, or committee in the organizational structure. Its function shall be that of a Board of Directors. As such, it shall be the primary policy-making body between sessions of the General Conference.*

The composition of the COB is defined in the IPHC Bylaws in Article I. Section E. (2.), and the specific duties of the COB are described in the IPHC Bylaws in Article I. Section E. This commission recommends amending Article I. Section E.(3.) to state the pastor and layperson members of the COB shall be voting members.

It is recommended that the duties, responsibilities, and authorities of the COB section of the bylaws be reviewed at least once during each quadrennial period, and consideration made for amendments, when necessary, to align them with the desired emphasis on local church health and growth. These duties, responsibilities, and authorities, as defined in the bylaws, should be considered to be the COB Charter, and serve to guide the activities of the COB. Any subsequent COB Charter amendment requires the General Conference's approval since the duties, responsibilities, and authorities are contained in the IPHC Bylaws.

This commission recommends amending the bylaws (and thus the COB Charter) to provide for the election of a COB Chair and Vice-Chair from its member Bishops currently serving as a Conference Superintendent. The election of the COB Chair and Vice Chair shall be the mandatory first item of business on the agenda for the first meeting of the COB following each Quadrennial General Conference. The General Superintendent shall preside over this election. Nominations for COB Chair shall be made from the floor during this meeting, and the vote shall be made by paper ballot. The ballots shall be tabulated jointly by three members of the COB whose names are drawn randomly from a pool of all names of all COB conference superintendents in session. (Nominees will not be allowed to act as a vote tabulator). A simple majority of the COB membership in session is required for the election of the COB Chair. The candidate receiving the second largest number of votes shall be deemed to have been elected as Vice Chair.

The COB Chair and Vice Chair shall each serve terms of four years, or that portion of years remaining until the next meeting of the General Conference, or until such time that

either (1) The Chair (or Vice Chair) are no longer Conference Superintendents, or (2) the Chair (or Vice Chair) can no longer effectively perform the required duties, or (3) a new Chair (or Vice Chair) is elected by a 2/3rds majority vote by the membership of the COB in session. The COB Vice Chair shall succeed as COB Chair in the event the current COB Chair can no longer serve due to any of the conditions as described herein.

A motion to hold an election within the COB to replace a current COB Chair can be brought to the floor by any COB member during the “New Business” portion of any regular meeting of the COB in which a quorum of members is present in session. This motion must be seconded and approved by a simple majority vote by paper ballot by the COB members in session for a vote to replace to be scheduled. To provide adequate time for discovery and discussion, this vote will be scheduled as the first item of business on the agenda for the next regularly scheduled meeting of the COB. The votes to determine if the COB Chair should be replaced or not shall be cast via paper ballots. A decision to replace the current COB Chair shall require affirmative votes from a minimum of 2/3rds of the COB membership in session. The ballots shall be tallied by at least three COB Committee chairmen.

If 2/3rds of the COB membership in session vote in the affirmative to replace the COB Chair, the COB Vice Chair shall immediately become the COB Chair for the remainder of the Chair’s term. The former Chair will continue to be a regular member of the COB in this instance. The COB will then immediately elect a new COB Vice Chair with nominations coming from the floor. The candidate gaining a simple majority of votes of COB members in session will be elected as the new COB Vice Chair. If a simple majority for one candidate

is not achieved on the first vote, a run-off election between the top two vote recipients shall be conducted immediately in the same meeting.

If a 2/3rds majority of the COB membership in session does not vote in the affirmative to replace the COB Chair, the election to replace the COB Chair has failed. It is then within the COB Chair's discretion to continue to serve as Chair. Should the COB Chair decide to step down from Chair, the COB Vice-Chair shall immediately succeed as COB Chair, and a new COB Vice-Chair shall be elected as described in the preceding paragraph. The former Chair shall continue to be a regular member of the COB in this instance.

The Chair and Vice Chair may each serve a maximum of two terms, but each must stand for election for each four-year term.

The COB Chair shall be responsible for planning the agenda of the regular COB meetings. The COB meeting agenda must always provide for the ongoing accomplishment of the duties and responsibilities of the COB as defined by the bylaws. The agenda shall be created through a collaborative effort with the General Superintendent. The COB Chair shall call and preside over the regular COB meetings (with the exception of the election of the COB Chair). The COB itself shall determine the frequency, schedule, and venue of Council meetings, working in collaboration with the General Superintendent to reduce scheduling conflicts where possible. The COB Chair shall oversee the work of the COB committees and ensure that the committees are performing effectively.

The COB committees perform the substantive work of the COB. The COB currently has five standing committees provided by the IPHC Bylaws (Article I. G. 4. (a) – (d): Finance, Nominating, Legal/Property, Advancement, and Strategic Advisory Council. This

commission recommends establishing two additional standing committees to be detailed later in this report. Each committee shall have a committee chair selected by the COB Chair in collaboration with the COB Vice Chair and the Nominating Committee. All committee chairs shall be currently serving conference superintendents, with the exception of the Finance and the Legal/Property Committees. Either or both of these committees may optionally be chaired by an individual who is not a member of the COB but who is deemed by the COB Chair, the COB Vice Chair, and the nominating committee to possess significant expertise in the subject matter areas of these committees sufficient to warrant appointment as committee chair. Committee chairs and standing committee members shall each serve a term of four years (or a portion thereof) running concurrently with the period between meetings of the General Conference. Individuals serving in either capacity shall be limited to two consecutive terms on any standing committee.

The IPHC Bylaws generally outline each committee's purpose and composition. However, specific committee duties and tasks are lightly defined in the bylaws. The COB must create and adopt a more thorough committee charter for each COB standing committee. Each initial committee charter and any subsequent proposed amendment to the committee charter shall require review and approval by the COB in an official business meeting.

Reports from each committee chair shall be included as standing agenda items for each COB meeting. Each committee's work is vital to the organization's success, and regular reports from the committees are essential for the COB to accomplish its responsibilities effectively.

The COB Chair is an ex-officio member of each committee but generally should not assume leadership of any committee due to the anticipated workloads of both the COB Chair and Committee Chairs. Exceptions could be made when the Chair is the logical leader or the subject-matter expert for a particular committee or the Committee on the Executive discussed later.

COB Committees can and should include qualified individuals beyond members of the COB. These individuals might consist of Directors or Managers of Global Ministry Center departments, IPHC Pastors, or IPHC laypeople, each of whom has responsibilities or specific knowledge associated with the committee's purview. Including such individuals will better equip the committee to produce effective outcomes and create a more generative approach to committee work.

Committees can, and will likely need to, meet outside of regular COB meetings as the needs of each committee arise. Virtual COB and Committee meetings shall be permitted as deemed necessary by the COB Chair and Committee Chair, respectively.

The COB and Committee meetings shall be conducted according to Robert's Rules of Order. Official minutes of each meeting shall be recorded by a member of the COB (or an administrative assistant) so designated by the COB Chair or Committee Chair, respectively. These minutes must be read and approved at the next meeting of the COB or respective committee.

The COB charter shall define standing meeting agenda items to be accomplished on a scheduled basis. No attempt is made in this document to create an exhaustive list of

agenda items. These agenda items should follow from the Duties and Responsibilities of the COB contained in IPHC Bylaws Article I. D. 5.

The commission recommends adding two new COB standing committees: the Committee on the Executive and the Institution Committee.

The Committee on the Executive shall be responsible for reviewing the professional and personal health of the Presiding Bishop. Every leader knows it is lonely at the top, and there are few opportunities for the top executive to participate in therapeutic reviews and discussions. The chief executive's physical, spiritual, and mental health is of great importance to the entire organization's health, and watching out for the top executive's overall health is the primary objective of this committee. It is recommended that this committee meet with the Presiding Bishop at least twice per year to conduct confidential meetings for the purpose of providing a sounding board regarding the Presiding Bishop's job satisfaction, current challenges, spiritual health, and physical health, as well as any family or personal issues that could potentially impact the executive's capacity to meet the requirements of the position. The committee's primary purpose is to aid in any of these areas when needed and appropriate and to support and encourage the Presiding Bishop.

The absolute confidentiality of this committee is paramount if it is to provide effective support to the Presiding Bishop. The confidence and trust of the Presiding Bishop in this committee is essential to its success. Only Bishops highly regarded for their integrity and confidentiality should be considered for participation in this committee. The committee is chaired by the COB Chair and includes two, or a maximum of three, additional conference superintendents selected by the COB Chair working in collaboration with the Presiding

Bishop. It is recommended that the Presiding Bishop be allowed to personally choose one of the members of this committee from the conference superintendent members of the COB.

This Committee on the Executive also has the responsibility to conduct a performance appraisal of the Presiding Bishop at a minimum of two-year intervals. The appraisal is an assessment of the overall progress to achieve the organization's strategic plan and the effectiveness of leadership within the Executive Branch. This practice is in line with the fiduciary duties of the COB as the top governing authority of the denomination when the General Conference is not in session. While it might be argued that re-election is an adequate review of performance, this commission views re-election as a vote of confidence rather than a knowledgeable and well-conducted performance review in the traditional sense of a review of progress achieved, applauding successes, making mid-course adjustment suggestions where appropriate, and coaching for improvement.

The Institution Committee shall oversee and lead the various institutional activities of the IPHC (Emmanuel University, Southwestern Christian University, Advantage College, Holmes Bible College, the IPHC Foundation, Falcon Children's Home, etc.).

### **Council of Bishops Executive Committee**

The IPHC Bylaws provide for a Council of Bishops Executive Committee ("Executive Committee"), the purpose, duties, authorities, and composition of which are specified in Article I, Sec E of the bylaws. Bylaws Section E. (1.) articulates the critical purpose of the committee:

*The purpose of the Council of Bishops Executive Committee (hereinafter referred to in the Bylaws as “Executive Committee”) is to facilitate decision-making regarding the policies of the Council of Bishops between sessions. The Council of Bishops, in session, may grant or delegate such authority to the Executive Committee as required for the proper function of the organization. However, the authorities and powers reserved in these Bylaws for the General Conference shall remain so reserved.*

The Executive Committee plays a primary role in the governance of the denomination. As the COB is in session for only a dozen or so days per year, the Executive Committee becomes the acting policy-interpreting and decision-making authority for the balance of the year. The Executive Committee is positioned and charged with being highly informed of current issues requiring COB input and is responsible for decision-making when the COB is not in session. Such delegation of authority and responsibility is not uncommon in organizational governance, and such delegation allows for efficient oversight of the organization during the majority of the year when the COB is not in session.

Because of the critical role played by the Executive Committee, it is vital to the process of shared and collaborative governance that the Executive Committee’s structure and composition align with the governance provisions of the bylaws and constitution. In this area, we find an inconsistency between its current structure and composition and the governance intent of the IPHC constitution regarding the COB. The current structure and composition of the Executive Committee as specified by the bylaws in Article I, Sec E, Item 2, which states:

*2. The Executive Committee shall consist of the following members:*

- a. General Superintendent, Chairman*
- b. Executive Director of Discipleship Ministries*
- c. Executive Director of Evangelism USA*

- d. *Executive Director of World Missions Ministries*
- e. *Three (3) conference superintendents serving on the Strategic Advisory Council*
- f. *One Pastor with seat and voice serving on the Strategic Advisory Council*
- g. *One Layperson with seat and voice serving on the Strategic Advisory Council*

This composition results in four voting participants from the Executive branch and three voting participants from the Governing branch (the COB). This Executive Branch majority of the Executive Committee is inconsistent with the intent of the constitutional provision that when the General Conference is not in session, the *Council of Bishops shall be the highest authoritative council, board, or committee in the organizational structure.* (IPHC Constitution Article II (D)). Conference Superintendents compose a significant majority of the COB, and we recommend that the Executive Committee composition be amended to reflect that composition. To resolve this inconsistency, it is recommended that the composition of the COB Executive Committee be amended as follows:

- A. COB Chair, Chairman
- B. General Superintendent (Chair, Strategic Advisory Committee)
- C. Executive Director of World Missions
- D. Executive Director of Church Ministry Department
- E. Six COB Committee Chairs (Six chairs are noted as the Strategic Advisory Committee is chaired by the General Superintendent who is listed in item B. above.)
- F. One Conference Superintendent currently serving on the Strategic Advisory Council
- G. One at-large Conference Superintendent recommended by the nominations committee and approved by the COB Chair and COB Vice Chair.

H. One Pastor with seat, voice, and vote serving on the Strategic Advisory Council

I. One Layperson with seat, voice, and vote serving on the Strategic Advisory Council

This composition more closely aligns with the authorities granted by the IPHC Constitution to both the Governance and the Executive branches and reflects the COB's responsibility for governance. Including COB committee chairs as members of the Executive Committee provides a broader representation of all the committees in the Executive Committee. Including these committee chairs also provides closer alignment and synergy of the Executive Committee with the COB committees. This composition encourages shared, unified, and collaborative leadership across the organization.

### **Executive Branch**

As stated earlier, the Executive Branch executes the strategic priorities established for the denomination within the policies outlined in the governing documents under the guidance and authority of the Council of Bishops. The Executive Branch shall be responsible for and have authority to carry out day-to-day executive, operational, and administrative management for all Global Ministry Center activities necessary to achieve the organization's strategic plan.

The General Superintendent is the top officer within the Executive Branch. The authorities, duties, and responsibilities of the General Superintendent are defined in the IPHC Bylaws Article I. F. 1. As mentioned earlier in this document, the General Superintendent is accountable to the General Conference via the COB. All other Global Ministries Center employees (with the exception of the Chief Financial Officer) shall be accountable to the General Superintendent. The Chief Financial Officer is accountable to

the COB through the finance committee and the COB Executive Committee (Bylaws Article I. F.1.b.(2), and Article 1.H.6.a.(2) and (3).

The election and term of the General Superintendent are specified in the IPHC Bylaws. The commission recommends an amendment to the Bylaws to provide for a process of removal of the General Superintendent for cause. The removal process is to be governed by the COB in session and only after the General Superintendent has had the opportunity to personally address the COB in session regarding the specific reasons contemplated for removal by the COB. Following such an opportunity, a vote to remove the General Superintendent shall be taken by the COB in session. Removal of the General Superintendent shall occur only if 2/3rds of the COB members in session vote in the affirmative to remove the General Superintendent.

In reviewing the structural design of the Executive Branch, it is useful to again characterize the essential difference in duties between the Governance Branch (COB) and the Executive Branch (General Superintendent, Executive Directors, Directors, Managers, etc., employed by the Global Ministries Center).

In essence, the Governance Branch determines the “WHAT” and “WHY” of strategic priorities and overall objectives. The Executive Branch determines “HOW” to achieve those priorities and goals and EXECUTES those actions.

The COB, as the Governance Branch, has both view and advisory voice in any matter brought before it. However, the COB, as a governance body, should not involve itself in the day-to-day operational activities of the Global Ministries Center. The COB is responsible for oversight to ensure that executive functions are properly carried out to support the

achievement of overall strategies and goals through review and discussions with the General Superintendent.

The Executive Branch has the responsibility and duty for the actual execution of the plan. Execution and action are the realm of the General Superintendent and the employees of the Global Ministries Center. The Executive Branch hires all denomination employees (with three exceptions). These three exceptions are (1) the General Superintendent (Presiding Bishop) and (2) the Vice Superintendent (World Missions Director), both of whom are elected by the General Conference in session, and (3) the Chief Financial Officer who is hired by and is accountable to the COB. For clarity, the World Missions Director shall be accountable to the General Superintendent even though elected by the General Conference. To support this accountability feature, the bylaws should be amended to provide for the ability of the General Superintendent to terminate the employment of the World Missions Director (for cause and subject to due process discovery within the COB) if, in the judgment of the General Superintendent, continued employment of the World Missions Director is detrimental to the organization.

The World Missions Department and The Church Ministry Department are encouraged to form Advisory Boards to facilitate generative input from individuals with experience and passion for the work of the respective departments. COB members may serve on a departmental Advisory Board at their discretion. COB members serving on an Advisory Board are considered equal to all other members on an Advisory Board in those meetings.

The Executive Branch shall also prepare a proposed annual operating budget covering all aspects of the Global Ministry Center. The Executive Branch and Chief Financial Officer shall submit their budget proposal for the next year to the COB Finance Committee at least 90 days prior to the end of the current fiscal year. The Executive and Governance branches shall conduct a collaborative and collegial review of the budget proposal, making any changes as needed until the Finance Committee supports the proposed budget plan. The Finance Committee must ultimately formulate and pass a motion in an official committee meeting recommending acceptance of the proposed budget plan by the COB. The Finance Committee does not have the authority to grant final approval of the budget plan. Rather, the budget plan and a resolution to recommend approval passed by the Finance Committee must be presented to, reviewed, and approved by the full COB in session. This allows for further review and, if necessary, modification of the budget plan by the full COB until final approval is voted on by a majority of the COB in session.

The Executive Branch is then responsible for ensuring that the organization's financial performance follows the approved annual operating budget.

The COB Finance Committee is responsible for diligently reviewing overall budget performance before each regular COB meeting and, along with the CFO, reports on budget performance to the COB in regular sessions.

### **Executive Branch Organization**

The study commission recommends a change in the organizational structure of the Executive Branch to promote a more unified and synergistic approach to the branch. As

mentioned earlier, the commission recommends that the General Superintendent be identified and granted authority as the top officer of the Executive Branch. It is also recommended that the Executive Director of World Missions be recognized and given authority as second-in-command under the General Superintendent and be accountable to the General Superintendent. Both of these executive positions will continue to be filled by an election of the General Conference in session every four years per the provisions of the governing documents of the IPHC.

The commission recommends all other Executive Director(s) be hired by the General Superintendent rather than through election by the General Conference. These Executive Director(s) shall be accountable to the General Superintendent and will report directly to the General Superintendent. The General Superintendent has overall management responsibility over the performance of all departments of the Global Ministry Center.

The commission recommends that the General Superintendent form a General Superintendent's Cabinet (or Presiding Bishop's Cabinet) referred to herein as the "Cabinet."

The Cabinet shall include the General Superintendent as Chair, the Executive Director of World Missions as Vice Chair, the Executive Director of Church Ministry, and the CFO. When necessary, the organization's legal counsel should be included as a member with voice and without vote.

The Cabinet is the General Superintendent's "get it done" team. Effective organizations hold weekly meetings to identify top operational issues and priorities and to review progress on the identified issues before the organization. Churches routinely hold

weekly staff meetings. Sales organizations have weekly sales management meetings. Corporations generally have weekly executive cabinet meetings. These meetings are the “glue” that keeps the organization running on its identified priorities and the “oil” that keeps it running smoothly. They are vital to the success of the Executive Branch. The General Superintendent shall create a standing agenda for the Cabinet meetings to ensure that all priority areas of the Global Ministry Center are routinely reviewed and discussed. The Cabinet meetings shall be participative and collaborative, enabling the executive team to help each other accomplish all the goals and priorities of the Global Ministry Center. The goal is to produce a leadership culture wherein each leader’s individual success depends upon the success of every other member of the Cabinet team and upon the accomplishment of the organization's overall strategic objectives.

It is essential that each member of the Cabinet “buys in” to this process. This is another reason for establishing the General Superintendent as the top executive officer. Cabinet members might be otherwise tempted to resist team membership and team play without this clear chain of command. Without a well-understood chain of command, Cabinet members might also resist managerial guidance, course corrections, and performance reviews – all essential to effectively managed organizations. This risk is highest when the organization is experiencing change and when the chain of command is not clearly identified nor structured to promote unity.

A good leader in the role of General Superintendent is an absolute must to establish strong and unified management. This cannot be over-emphasized. According to John Maxwell, author of over 70 leadership books, “Everything rises and falls on leadership.”

(John C. Maxwell, The 360 Degree Leader: Developing Your Influence from Anywhere in the Organization, HarperCollins Leadership, 2006). Good results do not come from bad leadership.

On the positive side, a clear chain of command under a strong and capable leader, a competent and participative executive team, and a well-defined set of strategic priorities and goals create an environment that will produce exceptional outcomes for the management team and, thus, for the IPHC.

It is important to note that the goal of this organizational structure is not to promote the creation of autocracy but rather to establish an organizational structure that engenders teamwork and thus affords the IPHC the best opportunity to effectively meet the goals and priorities identified by the General Conference and the Conference of Bishops.

### **Council of Bishops Strategic Advisory Council**

The IPHC Bylaws specify that one of the standing committees of the COB is the Strategic Advisory Council (Article I.G.4.a.). The provision for and the existence of this counsel is wise and provides an opportune forum for promulgating shared and generative leadership within the IPHC.

The purpose of the council is defined in the IPHC Bylaws:

*“The purpose of the Strategic Advisory Council of the Council of Bishops (hereinafter referred to as the Strategic Advisory Council) is to assist in the development of strategic plans for fulfilling the vision and mission of the IPHC. The council shall assist in setting appropriate goals and objectives, and the plans and initiatives to meet them. The Strategic Advisory Council shall also provide assistance to the General Superintendent for the implementation, monitoring, and modification of strategic initiatives as required.” (Article I.G.4.a.1))*

The Merriam-Webster's Dictionary defines generative as “having the power or function of generating, originating, producing, or reproducing.” The Strategic Advisory Council shall be the generative planning engine of the COB, and it is appropriately positioned at the center of strategic planning within the IPHC. Recognizing that the General Superintendent is the primary vision caster for the denomination, the Bylaws appropriately advise the Strategic Advisory Council to assist the General Superintendent in developing strategic plans, goals, and objectives, as well as assisting in their implementation.

The Strategic Advisory Council is an ideal incubator from which (with the Holy Spirit's assistance and the members' diligence to pursue Him) vision, dreams, and strategic goals for the denomination can and must emanate. This Council provides a great forum opportunity for the General Superintendent to brainstorm new ideas. It also provides an opportunity for ideas from other leaders of the organization to surface for discussion and consideration.

As the chief vision-caster of the IPHC, the General Superintendent shall chair the Strategic Advisory Council.

At the beginning of each Strategic Advisory Council meeting, the Chair shall review the overall goals of the IPHC to help guide creative thinking. (A good example is reminding the Council of the goal of providing more support for local IPHC churches and pastors). A purposeful, shared, and participative approach in setting strategic priorities and strategic programs with participation from all levels of the organization can advance the goal of placing more emphasis on the work and success of the local church. This process will encourage upward communication from the local churches and pastors and allow ideas

from local churches to bubble up in the planning process. Some bubble-up ideas will undoubtedly survive the competition of ideas within the council and become strategic goals for the organization. This will further enhance buy-in from the constituent bishops, pastors, and church members.

The current composition of the Strategic Advisory Council is defined in the IPHC Bylaws in Article I. G. 4. a. 4:

- The General Superintendent
- All Executive Directors
- Three Conference Superintendents serving on the Executive Committee
- Three Senior Pastors
- Three Laypersons
- A nonvoting strategic consultant may be contracted by the COB as deemed necessary

The commission recommends that the COB Chair and Vice Chair, along with a fourth conference superintendent, be included on this council membership roster.

The recommended composition of the Strategic Advisory Committee is thus:

- The General Superintendent, Chairman
- COB Chair
- COB Vice Chair
- Executive Directors
- Four additional Conference Superintendents
- Three Senior Pastors
- Three Laypersons
- A nonvoting strategic consultant may be contracted by the COB as deemed necessary

The IPHC Bylaws currently specify the terms of members of the Strategic Advisory Council in Article I.G.4.a.5) b) and c):

*b) The conference superintendents shall serve for four-year terms with a consecutive three-term limit. c) The nominations committee shall recommend three (3) pastors and three (3) laypersons to be approved by the Council of Bishops. The nominations*

*committee shall determine the length of terms for pastors and lay members, allowing an orderly rotation of members. No pastor or lay professional shall serve more than twelve consecutive years on a standing committee.*

The commission recommends that the term of service on the Strategic Advisory Council for the General Superintendent, Executive Directors, COB Chair, and COB Vice Chair run concurrently with their respective terms of office. The commission further recommends that other Strategic Advisory Council members should serve a maximum of two (2) four-year terms on the Council. Per the bylaws, the nominations committee shall determine the length of terms for pastors and lay members, allowing an orderly rotation of members, again with a recommendation that the bylaws be amended to specify that no pastor or lay professional shall serve more than eight years on this committee.

The commission recommends that the Strategic Advisory Council meet at least twice per year. Establishing the initial strategic plan through this process may require additional meetings. Experience indicates that these meetings are best conducted over two days. The overarching goal of the meeting cycle should be to produce an updated strategic plan annually. The first Strategic Advisory Council meeting of the planning year should first focus on reviewing the previous year's plan to remove goals that have been accomplished or are deemed to no longer be strategic, adjust goals due to changing facts or conditions, and introduce new ideas, new initiatives, and newly identified needs. As Chair, the General Superintendent should guide the discussions, encouraging broad participation and creative thinking from all members. The Council must constantly strive to work diligently, collegially, and collaboratively during all sessions to achieve maximum effectiveness. Workgroups can be structured and assigned to allow teams to focus and dive deeply into different areas to

refine recommendations to be considered by the entire Council later in the meeting. The Council should work toward defining strategic goals that articulate a specific outcome, are measurable, and provide a specific timeframe for accomplishment. It may also be appropriate during the first meeting of the planning year to assign workgroups from within the Council to continue researching potential goal feasibility and structure between the two annual meetings.

The second meeting of the planning year is the session in which the strategic plan recommendation for the next year is finalized prior to presentation to the COB for final approval. In this meeting, the Council should first focus on reviewing performance toward goal achievement for the current year that was accomplished since the first meeting. This review will help inform regarding the potential need to adjust or eliminate specific goals in next year's plan. The main task of this second meeting is the selection and final wording of the recommended strategic objectives, as well as the finalization of the recommended strategic plan for the next year. Once this is accomplished, the Council must pass a resolution recommending the adoption and approval of the new strategic plan by the COB.

The new strategic plan must be presented to the COB in session. This proposed plan is subject to modification by the COB until such time that a motion to adopt the strategic plan for the next year is passed by the COB in session.

Once the COB in session approves the annual strategic plan, execution of that plan is the responsibility of the Executive Branch, with the COB in a review/advisory-assist role. All activities and resource allocations of the Global Ministry Center should be planned and executed in alignment with the strategic plan. Any activity or allocation that does not align

with the strategic plan must undergo serious review by the executive branch to correct or eliminate non-aligned activity or allocation.

The shared and participative planning process outlined in this section will significantly strengthen the unification of the entire IPHC leadership team. Goals will be identified and agreed upon in a shared manner under the direction of the General Superintendent but with final approval resting with the COB. The executive branch works to accomplish the goals, and the governance branch stands ready to counsel and assist in any way possible. Successful execution is a team win for leadership, shared and enjoyed by the entire organization.

It is important to note that the successful execution of a strategic plan for a large organization such as the IPCH cannot be accomplished by the General Superintendent alone. The commission recommends that each goal be assigned to a member of the General Superintendent's Cabinet to advance and steward on behalf of the General Superintendent. Each Cabinet member shall be encouraged to form teams around each goal, with team members coming from operating areas related to the goal and pastors and bishops with specific experience or expertise in the subject matter related to the goal. The Cabinet member leads these working teams, and the teams assist the Cabinet members to see that every effort is made to accomplish the team's goal. The regular meetings of the Cabinet provide progress updates and collaboration opportunities for each Cabinet member.

### **Corporate Officers**

For organizational clarity to eliminate the duplication of the title Chairman, the study commission recommends that the officers of the corporation be titled/filled as follows:

President: Presiding Bishop / General Superintendent

Vice President: Executive Director of World Missions Department

Secretary: Active Conference Superintendent elected by the COB

Treasurer: Active Conference Superintendent elected by the COB

### **Church Ministries Department**

The study commission proposes the creation of a new department at the Global Ministries Center that will focus on supporting our local churches and pastors by supporting the conferences. This department is the Church Ministries Department. This department will focus on supporting these mission-critical aspects of local church ministry:

- Pastor
- Prayer
- Faith And Family Initiative
- Worship
- Children
- Connection
- Students
- Groups/Discipleship
- Outreach/Community Engagement

A new position of Church Ministries Department Executive Director to oversee this department is to be created and filled. The Executive Director must be an ordained minister and will be accorded the honorary title of Bishop to recognize this department's vital role in mission fulfillment at the IPHC. This director shall be appointed by and accountable to the General Superintendent, with the appointment subject to the prior approval of the COB.

The mission of this department is to provide resources to conferences to assist churches and local pastors in deploying effective local church ministry in each of the key areas mentioned above. Each ministry area will be led by a National Specialist who must be a recent and successful practitioner within that particular ministry area. The National Specialists will be subject-matter experts passionate about raising the availability and effectiveness of their ministry area within local IPHC churches through their work with the conferences.

Conferences are likewise asked to align their organizations with this model to create Conference Specialists for each of these ministry areas. Resourcing these Conference Specialists will be one of the primary objectives of the Church Ministry Department. The Conference Specialists will serve local pastors and should be the direct beneficiaries of the work of both the National Specialists and the Conference Specialists.

Additionally, the Church Ministries Department will be responsible for Clergy Care and Development (one of the Specialist areas), Hispanic Ministries, Church Multiplication, and the Acts2Day ministries.

The Executive Director of the Church Ministries Department shall have discretion to determine if Church Ministries Department staff members are volunteer, stipend, full-time, or part-time within the constraints of the budget approved by the COB.

The commission has updated the IPHC organization structure diagram to reflect the changes contained in this report.

*(REFER TO FIGURE 2 ON THE FOLLOWING PAGE FOR A STRUCTURAL/FUNCTIONAL DIAGRAM OF THE PROPOSED STRUCTURE OF THE DENOMINATION.)*

**FIGURE 2: PROPOSED Structural/Functional Layout of IPHC**



## CONTINUOUS ORGANIZATION DEVELOPMENT

The performance of any organization is always the product of the combined performance of all its members. Thus, the most important factor in the success of any organization is always the success of the people who comprise it. Organizations simply cannot perform at a high level if their members are not performing at a high level. With this said, it is vitally important that an organization's leaders have a high level of commitment to the continuous development of the organization's human resources.

Traditionally, organizations have resorted to a formal process of employee performance reviews to monitor individual employees. Usually, this was accomplished in a once-a-year performance appraisal, typically following standard guidelines for review. And while this approach MIGHT be better than no review at all, the process is generally disliked by both the individual being reviewed and the supervisor conducting it. A survey done by People IQ found that a staggering 87 percent of managers and employees believed annual performance reviews weren't effective or useful.

<https://www.quantumworkplace.com/future-of-work/6-alternatives-to-the-annual-performance-review>).

Traditional performance reviews are giving way to alternative performance management strategies to provide more effective equipping of employees to drive successful outcomes. These performance management strategies are characterized by the following:

- Consistent one-on-one discussions between managers and employees. Weekly, bi-weekly, or monthly discussions between team members and their supervisor to discuss the job and how things are going. The conversations are purposeful and directed and should allow the team member to ask questions or express concerns about challenges they are facing.
- Quarterly Check-ins. Supervisors need not coach in every session, but an intentional coaching opportunity should be included at least once per quarter. These sessions can be formal or informal, but both parties should recognize that the purpose is to discuss performance for the past quarter and to look forward to the next quarter.
- Continuous two-way feedback. Both the supervisor and the team member need feedback and should be asking for it. This may be a new idea for some supervisors. Still, it is essential to promote a relationship of trust, and both parties gain important feedback on their own individual development. Managers can gain insights they need to improve the employee's work experience, and the employee will be more likely to accept feedback when a supervisor is soliciting feedback as well.
- Don't tie it to compensation. When you tie your feedback to compensation, the session ceases to be a coaching session and becomes a negotiation. ( Matt Rissell, Co-Founder and CEO, TSheets.  
<https://www.forbes.com/sites/mattrissell/2017/05/26/performance-reviews-suck-heres-what-we-do-instead/?sh=4db80a2e76ed> ). The coaching session should be

intended to help employees succeed and perform at their highest level. If the coaching session is perceived as a compensation review, and a raise is not granted, the coaching is likely to be ignored or even considered offensive.

- Send follow-up plans in writing. Leaders should document key coaching points in writing. A brief note or email from a supervisor to a team member helps to both reflect on the coaching tips and align the next steps to accomplish the change. This follow-up also allows both the supervisor and the team member to be accountable for the discussion items.

This study commission recommends implementing a continuous organization development plan with all employees at the Global Ministries Center utilizing the concepts presented herein. The consistent utilization of performance management tools such as those described above will ensure all team members receive helpful developmental feedback and coaching. Additionally, consistently utilizing these tools aids in creating a culture of accountability. When all team members are accountable to their team leader in a productive and cooperative manner, individual performance will rise and thus enable the organization to better meet its goals and objectives.

## FINANCIAL RECOMMENDATIONS

The IPHC has long funded the Global Ministry Center through a revenue-sharing plan with its member churches and pastors through the conference structure. This funding commitment by the local church conferences is prescribed in the IPHC Bylaws Article V.B.1.a. and V.B.1.b:

*Conferences shall send the following funds to the General Treasury monthly:*

- a. 10% of the tithes received from all clergy.*
- b. 55% of the church tithes.*

This study commission was tasked with the responsibility of reviewing the financial structure of the IPHC and offering recommendations as to how the denomination could focus more on local church ministry. The preceding sections of this report have addressed strategic priorities and organizational changes to support those strategies. The establishment of a new Church Ministry Department is central to the objective of supporting local churches and pastors.

The Church Ministry Department is the result of streamlining and synergizing the Discipleship and the Evangelism USA departments. By focusing on its priorities on local church ministry needs and organizing to provide resources that address these needs, the Global Ministries Center can achieve the strategic priority of growing and multiplying healthy churches. And by combining the efforts and resources of the Discipleship and Evangelism USA departments, the IPHC can more effectively utilize and deploy resources, resulting in operating and budget efficiencies.

The study commission formed a financial sub-committee to explore options for the current revenue-sharing formula described above. Numerous scenarios were simulated and reviewed.

The variables in the scenarios included:

- The overall anticipated cost of operations for the Global Ministries Center
- The portion of church tithes to be sent from the conferences to the General Treasury
- The portion of clergy tithes to be sent from the conferences to the General Treasury

Following considerable analysis and debate, the study commission has arrived at a recommendation that will result in the availability of more financial resources at the conference level with which the new Church Ministry Department initiatives can be funded by the conference. The commission recommends reducing the portion of church tithes being sent by the conferences to the General Treasury to 50%. Further, the commission recommends that conferences retain 100% of the clergy tithes received by the conferences.

These changes will provide the conferences with additional funds which are to be used to support local pastors and local churches. For example, based on fiscal 2023 financial records, these changes would result in approximately \$1.350 million being redirected from the General Headquarters to the conferences to support local pastors and local churches. The benefit to each conference (based on the same fiscal 2023 financial records) is shown in Figure 3. In discussions between the CFO of the Global Ministries

Center, the chairman of the Finance Committee, and the leadership of the study commission, it was agreed that these changes are reasonable and achievable.

*(REFER TO FIGURE 3 ON THE FOLLOWING PAGE FOR A CHART OF FINANCIAL REALLOCATIONS FOR THE GENERAL CHURCH AND INDIVIDUAL CONFERENCES BASED ON RECOMMENDATIONS)*

**FIGURE 3: Chart of PROPOSED Financial Reallocations**

| Sum of Gift Amount                    | Church Tithes         | Chap/Dir Tithes     | New Gen Church Total   | Original Grand Total   | Conference Increase    | Minister's Related   |
|---------------------------------------|-----------------------|---------------------|------------------------|------------------------|------------------------|----------------------|
| ACROSS Conference                     | \$ 30,749.33          | \$ -                | \$ 30,749.33           | \$ 39,039.46           | \$ 8,290.13            | \$ 5,215.20          |
| Acts2Day Conference                   | \$ 81,173.33          | \$ -                | \$ 81,173.33           | \$ 89,289.77           | \$ 8,116.44            | \$ -                 |
| Alpha Conference                      | \$ 110,140.55         | \$ 420.00           | \$ 110,560.55          | \$ 148,958.15          | \$ 38,397.60           | \$ 27,383.54         |
| Appalachian Conference                | \$ 706,053.48         | \$ -                | \$ 706,053.48          | \$ 865,486.42          | \$ 159,432.94          | \$ 88,827.59         |
| Cornerstone Conference IPHC           | \$ 914,734.13         | \$ 4,618.54         | \$ 919,352.67          | \$ 1,107,758.68        | \$ 188,406.01          | \$ 96,932.60         |
| Ephesians 4 Network                   | \$ 35,490.78          | \$ -                | \$ 35,490.78           | \$ 44,595.94           | \$ 9,105.16            | \$ 5,556.08          |
| Golden West Conference                | \$ 27,657.29          | \$ -                | \$ 27,657.29           | \$ 37,693.58           | \$ 10,036.29           | \$ 7,270.56          |
| Grace Bible Ministries                | \$ 2,223.50           | \$ -                | \$ 2,223.50            | \$ 4,426.09            | \$ 2,202.59            | \$ 1,980.24          |
| Great Plains Conference               | \$ 45,720.46          | \$ -                | \$ 45,720.46           | \$ 58,985.66           | \$ 13,265.20           | \$ 8,693.15          |
| Heartland Conference                  | \$ 251,915.18         | \$ 2,414.11         | \$ 254,329.29          | \$ 319,040.90          | \$ 64,711.61           | \$ 39,520.09         |
| Korean Conference                     | \$ 12,801.50          | \$ -                | \$ 12,801.50           | \$ 17,348.65           | \$ 4,547.15            | \$ 3,267.00          |
| LifePoint Ministries                  | \$ 129,556.00         | \$ 3,285.13         | \$ 132,841.13          | \$ 178,983.06          | \$ 46,141.93           | \$ 33,186.33         |
| Mid-Atlantic Conference               | \$ 83,366.89          | \$ 4,560.00         | \$ 87,926.89           | \$ 104,744.28          | \$ 16,817.39           | \$ 8,480.70          |
| Mississippi Conference                | \$ 32,758.75          | \$ -                | \$ 32,758.75           | \$ 41,843.53           | \$ 9,084.78            | \$ 5,808.90          |
| New Horizons Ministries               | \$ 210,262.13         | \$ -                | \$ 210,262.13          | \$ 274,500.91          | \$ 64,238.78           | \$ 43,212.57         |
| North Carolina Conference             | \$ 987,407.08         | \$ 1,379.00         | \$ 988,786.08          | \$ 1,215,832.59        | \$ 227,046.51          | \$ 128,305.80        |
| Northwest Latin-Am Conference         | \$ 14,040.91          | \$ -                | \$ 14,040.91           | \$ 29,345.00           | \$ 15,304.09           | \$ 13,900.00         |
| Pacific Western Network Ministries    | \$ 133,313.58         | \$ -                | \$ 133,313.58          | \$ 165,832.27          | \$ 32,518.69           | \$ 19,187.33         |
| Red de Ministerio Sonshine Conference | \$ 9,979.11           | \$ -                | \$ 9,979.11            | \$ 17,411.62           | \$ 7,432.51            | \$ 6,434.60          |
| Redemption Ministries                 | \$ 255,216.46         | \$ 2,461.60         | \$ 257,678.06          | \$ 317,792.04          | \$ 60,113.98           | \$ 34,592.33         |
| River of Life Ministries - PA Conf    | \$ 78,053.90          | \$ -                | \$ 78,053.90           | \$ 93,675.56           | \$ 15,621.66           | \$ 7,816.27          |
| Rocky Mountain Conference             | \$ 7,277.75           | \$ -                | \$ 7,277.75            | \$ 10,534.74           | \$ 3,256.99            | \$ 2,529.22          |
| SonShine Network Ministries           | \$ 43,983.73          | \$ -                | \$ 43,983.73           | \$ 78,092.41           | \$ 34,108.68           | \$ 29,710.31         |
| South Carolina Conference             | \$ 869,899.96         | \$ 4,227.49         | \$ 874,127.45          | \$ 1,063,778.44        | \$ 189,650.99          | \$ 102,660.99        |
| Spirit Life Ministries (USC)          | \$ 222,626.53         | \$ -                | \$ 222,626.53          | \$ 292,442.27          | \$ 69,815.74           | \$ 47,553.09         |
| Tennessee Valley Conference           | \$ 79,167.98          | \$ -                | \$ 79,167.98           | \$ 94,908.09           | \$ 15,740.11           | \$ 7,823.31          |
| Texas Latin Conference                | \$ 107,670.00         | \$ -                | \$ 107,670.00          | \$ 137,346.00          | \$ 29,676.00           | \$ 18,909.00         |
| West Coast Hispanic Conference        | \$ 9,572.10           | \$ 394.00           | \$ 9,966.10            | \$ 16,672.09           | \$ 6,705.99            | \$ 5,748.78          |
| <b>Grand Total</b>                    | <b>\$5,492,812.40</b> | <b>\$ 23,759.87</b> | <b>\$ 5,516,572.27</b> | <b>\$ 6,866,358.20</b> | <b>\$ 1,349,785.93</b> | <b>\$ 800,505.58</b> |

## **SUMMARY**

The study commission recommendations presented herein are offered with gratitude for the work and service rendered by the leadership of the IPHC, past and present. Our church enjoys a remarkable legacy built by these leaders, and the commission has a profound sense of responsibility to see that the IPHC continues to grow with vitality and effectiveness to reach the lost around the world with the Gospel of Jesus Christ.

This commission believes that the IPHC's existing governance documents (the Constitution and Bylaws, as contained in the IPHC Manual) provide strong overall guidance and structure upon which to build the recommended organizational structure. This report suggests a few changes to the Bylaws. We believe these changes will provide for a more robust and unified organizational structure for the denomination that will allow for greater emphasis to be placed on the care and growth of local IPHC churches.

This recommendation should be considered a work-in-process. The fundamental design and structure of the conceptual model recommended herein serve the goal of unifying the IPHC's top leadership within an organization that intentionally and continually points toward collaborative and shared stewardship between the equally important Governance and Executive Branches.

This conceptual model provides for the clear definition of a chain of command within the organization. Each branch is led by an individual responsible for leading the respective branch in alignment with the shared goals for the entire organization and under the authority and policy of the governing documents of the IPHC. We firmly believe leadership of the Executive Branch by one leader, the General Superintendent and the strong governance

leadership provided by the Council of Bishops is necessary to produce unity of purpose and activity within the organization. This unity will help generate effective management and impactful results for the church at large.

Of course, good leaders are always and absolutely essential to the production of good results. The importance of the careful, studied, and prayerful selection of the General Superintendent, who leads the Executive Branch, and the Chair of the Council of Bishops, who leads the Governance Branch, cannot be overstated.

Finally, the commission expresses gratitude to the General Conference, the Council of Bishops, and the Global Ministry Center for supporting this commission's work.

Respectfully Submitted,

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Pastor Ryan Linkous  
Pastor Bill Rose  
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Bishop Ray Willis

July, 2024

## APPENDIX

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