

# Unitarian Universalist Church of Bloomington, Indiana

*Seeking the Spirit, Building Community, Changing the World*



## Board Policies

October 19, 2022

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## Preamble

In 2010 the Unitarian Universalist Church of Bloomington IN (UUCB) adopted policy governance and the initial set of these policies. In the policy governance model, the Board of Directors (henceforth “Board”) delegates day-to-day authority and responsibility for operation of UUCB to the Senior Minister (who may then delegate to other ministers, staff, and lay leaders). The policies exist to specify what the Board expects the Senior Minister to accomplish, what the limitations on the Senior Minister’s authority are, and how the Board will monitor their activities and accomplishments.

In expressing the will of the Board, these policies supersede any other policy created by the Ministers, staff, or lay leaders. The Board may modify these policies through any process they so choose. Limits of these policies are:

1. The UUCB Bylaws are authoritative over these policies.
2. The Board cannot shed their legal fiduciary responsibility through these policies.

The sections in this document and their purpose are:

- I. Ends: These statements set forth our general principles and aspirations.
- II. Senior Minister Limitations: These policies set forth limitations and expectations on the delegation to the Senior Minister. The model is that if something is not disallowed to the Senior Minister by these policies (or the Bylaws), then the authority is delegated by the Board to the Senior Minister.
- III. Governance Process: Specification of how the Board conceives, carries out, and monitors its own functioning.
- IV. Board-- Senior Minister Relationship: Spells out the delegation of authority from the Board to the Senior Minister and the monitoring of the Senior Minister by the Board.
- V. Monthly Monitoring Schedule: This describes the month-by-month activities of the Senior Minister to be monitored by the Board as described in Section IV.D

For more information:

Dan Hotchkiss, “Governance and Ministry: Rethinking Board Leadership.” Rowman & Littlefield Publishers; 1st edition (April 15, 2009). Available from Amazon and other book sellers.

Concept of Ends statements comes from Carver: <http://www.carvergovernance.com/faq5.htm>

UUCB Ends statements: <http://www.uua.org/uuagovernance/manual/ends/index.shtml>

“How the UUA Board Uses Policy Governance”:

<http://www.uua.org/uuagovernance/manual/185407.shtml>

“Policy Based Governance: A Resource For UU Congregations”:

<http://www.uua.org/governance/policybased/index.shtml>

## Terms

"UUCB" refers herein to the "Unitarian Universalist Church of Bloomington, Indiana, Inc."

## I. Ends

### Preamble

In policy governance, the board sets forth Ends Statements which establish our general principles as well as what our congregation aspires to do. These statements expand upon our congregation's vision statement of "Seeking the Spirit, Building Community, and Changing the World" and our congregation's mission statement (below) to provide spiritual and governance guidance to the ministers, staff, and lay leaders.

UUCB's mission statement, adopted by the congregation, along with the Vision Statement, at the June 7, 2009 Congregational Meeting:

"In this liberal religious community of inspiration, love and action:

- we celebrate life
- we nurture one another
- we welcome all
- we care for the earth and
- we work for the common good."

The term "Ends" refers to the fact these statements are not policy that dictate "means" or how things are done but are, rather, our expected outcomes. The Ends statements were adopted by the board in September of 2010 during the transition to policy governance and are a living document maintained by the board with input from the congregation. These Ends statements were revised in 2021 following the congregation's decision to adopt the 8<sup>th</sup> principle.

By adopting the 8<sup>th</sup> principle, we have committed ourselves to working to build a multicultural Beloved Community in which people of diverse racial, ethnic, educational, class, gender, sexual orientation backgrounds and identities come together in mutually-respectful, loving, and caring relationships to seek justice within our congregation, the local community, and in the broader world.

## **Policy I. Ends Statements**

### **Seeking the Spirit**

UUCB exists to:

1. Provide members from a variety of faith traditions with a liberal, universally accepting spiritual home.
2. Provide compassionate spiritual care to congregants without the burden of restrictive creeds, tenets, covenants or preordained beliefs.
3. Provide a space where people from diverse backgrounds with different perspectives can freely gather to explore their beliefs.
4. Provide people of all ages with opportunities to grow together spiritually through liberal religious education and practice, leadership, and community action.
5. Encourage adherence to the Seven Principles adopted by the UUA and to the 8<sup>th</sup> Principal adopted by the UUCB.

### **Building Community**

UUCB exists to:

1. Build a liberal community dedicated to accountably dismantling racism and other oppressions both within itself and in the larger community.
2. Build an accepting community inclusive of diverse gender orientations.
3. Build a welcoming community where those from diverse cultural and religious backgrounds feel that their experiences and perspectives are valued.
4. Build an active community where members share their time, talents and resources for the common good.
5. Build a thoughtful community where people can explore ideas and perspectives without trepidation or fear of rejection.
6. Provide members, ministers and staff with an environment where they know that they will be welcomed and valued.

### **Changing the World**

UUCB exists to:

1. Encourage leadership and participation in efforts to eliminate prejudice, injustice, and oppression within the community and in the world at large.
2. Provide members with the means to undertake projects fostering social justice and community welfare according to their interests.
3. Provide members with ways to contribute financially and otherwise to good causes within the community and in the world at large.

4. Partner with other congregations and organizations in efforts to foster positive social change.
5. Engage with and encourage the UUA to build a diverse and multicultural beloved faith community.
6. Encourage leadership and participation in projects that foster ecologically sound, sustainable, and livable communities, both locally and throughout the world.

## **II. Senior Minister Limitations**

### **Policy II. Senior Minister Limitations**

The Senior Minister is the executive of the UUCB, with all executive powers, subject to the limitations indicated herein.

#### **Policy II.A: General Senior Minister Constraint**

The Senior Minister shall not use or allow any practice, activity, decision, or organizational circumstance that is imprudent or in violation of the Church by-laws and commonly accepted business and professional ethics.

#### **Policy II.B: Congregation, Staff and Volunteer Treatment and Safety**

With respect to the treatment of paid and volunteer staff, the Senior Minister shall not cause or allow conditions that are unfair or undignified.

Accordingly, the Senior Minister shall not:

1. Operate without written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions such as grossly preferential treatment for personal reasons.
2. Discriminate against any staff member for expressing an ethical dissent.
3. Prevent staff from grieving to the Board when (1) internal grievance procedures have been exhausted and (2) the employee alleges either that (a) Board policy has been violated to his or her detriment, or (b) Board policy does not adequately protect his or her human rights.
4. Fail to acquaint staff with their rights under this policy.
5. Discriminate (as defined by city, state, and federal laws) among existing or potential staff/volunteers on other than clearly job-related criteria, individual performance, or individual qualifications.
6. Subject staff or volunteers to unsafe or unhealthy conditions.
7. Operate without clearly defined and delineated responsibilities and authorities amongst the ministers, staff, and lay leaders.

The Senior Minister shall undertake reasonable measures to ensure the safety of all persons in UUCB , including:

1. Plans and regular drills for natural disasters and fires.
2. Door locks, lighting, and other mechanisms to provide physical safety

3. Processes for managing risks from crime and violent acts targeting UUCB. Wearing, storage, transportation or presence of firearms on church property or during sponsored activities is prohibited. Only law enforcement officers and security personnel who are licensed and trained to provide security for church property, personnel, members, and visitors are permitted to wear or otherwise possess firearms while carrying out their official duties at the Unitarian Universalist Church of Bloomington.

### **Policy II.C: Compensation and Benefits**

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Senior Minister shall not cause or allow jeopardy to fiscal integrity or public image. Accordingly, it shall not:

1. Change the Senior Minister's compensation, benefits, or allocated professional expenses as established by the Board.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that:
  - a. Deviate materially from the nonprofit or geographic market for the skills employed.
  - b. Create obligations over a term longer than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.
4. Establish deferred or long term compensation and benefits that:
  - a. Cause unfunded liabilities to occur or in any way commit the UUCB to benefits that incur unpredictable future costs.
  - b. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity in key employees are not prohibited.
  - c. Rescind any employee's benefits already accrued from any forgoing plan.

### **Policy II.D: Financial Planning**

With respect to planning fiscal events, the Senior Minister shall not jeopardize either programmatic or fiscal integrity of the UUCB. Accordingly, the Senior Minister shall not cause or allow fiscal projections that:

1. Contain too little detail to enable reasonably accurate projection of revenues, expenses, and cash flows or fail to disclose planning assumptions, including future budget impacts.
2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Fail to separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are (1) all repayments of debt and (2) any building additions or equipment purchases over \$1,000.00 each.
4. Deviate materially from Board-stated priorities and requirements in its allocation among competing fiscal needs.

### **Policy II.D1: Annual Budgeting**

The Senior Minister shall present a draft budget to the Finance Committee in time for the committee to prepare the annual budget report.

### **Policy II.E: Financial Condition**

With respect to the actual, ongoing condition of the UUCB's financial health, the Senior Minister shall not cause or allow the development of fiscal jeopardy or loss of allocation integrity. Accordingly, the Senior Minister shall not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
  - a. Indebt the UUCB in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.
  - b. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
2. Expend any endowment or restricted funds other than for the purposes determined at time of receipt or designation.
3. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered, revenues within 30 days.
4. Allow actual allocations to deviate materially from Board priorities in Ends policies.
5. Borrow funds on other than the short-term basis as defined and outlined in these policies.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

### **Policy II.F: Asset Protection**

With respect to proper stewardship of the UUCB's assets, the Senior Minister shall not risk losses beyond those necessary in the normal course of business. Accordingly, the Senior Minister shall not:

1. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.
2. Fail to insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Indiana non-profit organizations.
3. Allow unbonded personnel access to material amounts of funds.
4. Subject plant and equipment to improper wear and tear or insufficient maintenance.
5. Unnecessarily expose the UUCB, its Board, or staff to claims of liability or risk the nonprofit status.
6. Make any purchases not provided for in either the capital expenditure or current budget. Make any purchase of over \$10,000.00 without at least two competitive bids or sole source justification and approval by the CFO and Board President.
7. Receive, process, or disburse funds under controls insufficient to meet the Board appointed auditor's standards.



8. Invest or hold operating capital in insecure instruments, including (a) uninsured checking accounts and bonds of less than AA rating, or (b) in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
9. Endanger the UUCB's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

Furthermore, the Senior Minister shall not fail to operate with procedural policy against misconduct and dishonesty that meets accepted business practices of the accounting industry. For purposes of this policy, misconduct and dishonesty must include but not be limited to:

1. Theft or other misappropriation of assets, including assets of the UUCB or others with whom the UUCB has a business relationship.
2. Misstatements and other irregularities in UUCB records, including the intentional misstatement of the results of operations.
3. Forgery or other alteration of documents.
4. Fraud and other unlawful acts.

### **Policy II.G: Purchases, Grants, and Contracts**

The Senior Minister shall not cause or allow any material conflict of interest in awarding purchases, grants, or other contracts.

### **Policy II.H: Communication and Counsel to the Board**

With respect to providing information and counsel to the Board, the Senior Minister shall not cause or allow the Board to be uninformed or misinformed. Accordingly, the Senior Minister shall not:

1. Fail to inform the Board in a timely manner of relevant trends, public policy initiatives, public events of the UUCB, and material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
2. Fail to submit the monitoring data required by Board policy IV.D. ("Monitoring Senior Minister Performance") in a timely, accurate, and understandable fashion, directly addressing provisions of the Board policies.
3. Fail to gather as many staff and external points of view on issues and options as needed for fully informed Board choices.
4. Present information in unnecessarily complex or lengthy form.
5. Fail to recommend changes in Board policies, the need for which becomes known to them.
6. Fail to limit public statements about the official position of the congregation or Board on controversial social, political, and/or congregational issues to what the congregation or Board has formally and explicitly adopted as positions of record. Nothing in this policy shall be construed to infringe upon the fundamental principle of freedom of the pulpit.
7. Fail to advise the Board if, in the Senior Minister's opinion, the Board is not in compliance with its own policies on Governance Process and Board-- Senior

Minister Linkage, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Senior Minister.

8. Fail to deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
9. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board.
10. Should the Senior Minister anticipate a violation of Board policy, he or she shall inform the Board President, or another Director if the President is not available, of the anticipated violation.

### **Policy II.I: Sanctuary**

As a sacred place, we may be called upon by our UU Principles, and the Mission and Vision of our congregation to provide sanctuary. The Senior Minister is authorized to provide sanctuary with the following conditions:

- Sanctuary can be offered when it aligns with our UUA Principles and the Mission and Vision of our congregation, ensuring that our sanctuary is respectful of the inherent worth and dignity of those to whom we provide sanctuary.
- Our congregation will network and seek support from the broader community to balance the positive outcomes with the risks and impact to the ministers, staff, congregation, and others in our space.
- The Senior and Associate Minister will assure that education is established for the congregation to support its commitment to providing sanctuary.
- The Senior Minister will regularly inform the Board regarding any potential sanctuary as far in advance as possible. If we provide sanctuary, the Senior Minister will report regularly to the Board on logistics and any issues.

### **Policy II.J: Religious Education**

UUCB shall provide Religious Education for all ages, preschool through adult.

### **Policy II.K: Gifts**

While generosity in all forms is appreciated, some well-intended gifts can cause burdens that are not obvious. Donors should consult with the Senior Minister before donating any restricted funds or donations other than cash. UUCB shall accept no gifts that unduly burden it or place it at risk. The Senior Minister is authoritative as to what gifts are acceptable.

### **III. Governance Process**

#### **Policy III: Governance Process**

The purpose of the Board of Directors, on behalf of the congregation, is to see to it that the UUCB (1) achieves appropriate results for appropriate persons at an appropriate cost and (2) avoids unacceptable actions and situations.

#### **Policy III.A: Governing Style**

The Board shall govern with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of Board and Senior Minister roles, (5) collective rather than individual decisions, (6) the future rather than past or present, and (7) proactivity rather than reactivity.

Accordingly,

1. The Board shall cultivate a sense of group responsibility. The Board, not the staff, shall be responsible for excellence in governing. The Board shall be the initiator of policy, not merely a reactor to staff initiatives. The Board shall use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values. The Board shall allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.
2. The Board shall direct, control, and inspire the UUCB through the careful establishment of broad written policies reflecting the Board's values and perspectives about ends to be achieved and means to be avoided. The Board's major policy focus shall be on intended long-term ends, not on the administrative or programmatic means of attaining those ends.
3. The Board shall enforce upon itself whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development shall include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.
4. The Board shall monitor and discuss the Board's process and performance at regular intervals. Self-monitoring includes comparison of Board activity and discipline to policies in the Governance and Board -- Senior Minister Partnership categories.

#### **Policy III.B: Board Job Contributions**

The job of the Board is to represent the UUCB in determining and assuring appropriate organizational performance. Consequently, the job of the Board shall be to:

1. Link between the UUCB and its stakeholders.  
As we grow in size it becomes difficult to know everyone and to know what's going on outside of our own areas of participation. This may cause some to feel

disconnected with the larger congregation and with the church governance. The process of the Board, Ministers, and Staff communicating effectively with all the congregation is called linkage in Policy Governance.

The basis of linkage between the Board and Congregation is two-way communication. This two-way communication informs the congregation of what the Board is doing and likewise informs the Board of the congregation's vision, priorities and goals. This information ultimately informs the Board to what should be addressed by the Ends Statements.

When practicing linkage, the Board may act as a facilitator to connect congregants with the right staff member or committee when they have a problem, concern or suggestion.

It is important to have multiple ways that the congregation is engaged in communication. This ensures that all congregants have a voice, not only the most vocal congregants.

We practice linkage through our website, Prologue articles, congregational meetings, town hall meetings, board meetings, one-on-one conversations, Sunday announcements, letters to congregants and "Coffee with the Board" once a month between services.

2. Write governing policies that, at the broadest levels, address:
  - a. Ends: Organizational products, impacts, benefits, outcomes (what good for whom at what cost).
  - b. Senior Minister Authorities and Responsibilities: Constraints on Senior Minister authority that establish the prudent and ethical boundaries within which lies the acceptable arena of Senior Minister activity, decisions, and organizational circumstances.
  - c. Governance Process: Specification of how the Board conceives, carries out, and monitors its own task.
  - d. Board- Senior Minister Relationship: How power is delegated and its proper use monitored.
3. Assure Senior Minister performance through monitoring and evaluation.

### **Policy III.C: Officers' Roles**

1. The President assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.
  - a. The job output of the President is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the UUCB.
    - i. Meeting discussion content shall be only those issues that, according to Board policy, clearly belong to the Board to decide, not the Senior Minister.

- ii. Deliberation shall be timely, fair, orderly, and thorough, but also efficient, limited to time, and to the point.
    - iii. Robert's Rules of Order are observed except where the Board has suspended them.
  - b. The authority of the President consists of making any decision on behalf of the Board that falls within or is consistent with Board policies on governance process and the Board- Senior Minister relationship, except where the Board specifically delegates portions of this authority to others.
    - i. The President is empowered to chair Board meetings with all the commonly accepted powers of that position (e.g., ruling, recognizing).
    - ii. The President's authority does not extend to supervising, interpreting Board policies to, or otherwise directing the Senior Minister. Nothing in this policy is intended to interfere with mutual interaction about individual understandings of policies. (See also Policy IV.A.)
    - iii. The President may represent the Board to outside parties in announcing Board-stated positions and in stating President decisions and interpretations in areas for which authority has been delegated to the President by the Board.
    - iv. The President may delegate this authority but remains accountable for its use.
- 2. The job of the Secretary is to assure the integrity of the Board's record. The Secretary is responsible for ensuring the:
  - a. Recording and distribution of accurate minutes of Board and congregational meetings.
  - b. Maintenance of the master copy of the current policies by recording amendments, distributing current policies to Board members and the Senior Minister, and making the current policies accessible to all congregation members.
  - c. Public announcement of the annual meeting and other duties as assigned by the corporate bylaws.
- 3. The job of the Treasurer is to ensure the fiscal health of the UUCB. The Treasurer is responsible for:
  - a. Preparing, for Board approval, policies governing financial management of the UUCB.
  - b. Preparing and maintaining, with assistance of the Finance Committee, a five-year financial plan.
  - c. Analyzing, with the finance committee, the annual operating budget developed by the Senior Minister.
  - d. Presenting the annual operating budget to the Board for approval.
  - e. Representing the Board in justification of the annual operating budget to the congregation.
  - f. Ensuring appropriate financial reports are made available to the Board in a timely manner.
  - g. Serving as the chair of the Finance Committee and as a member of the special purposes fund committee.

### **Policy III.D: Board Members Code of Conduct**

The Board of Directors expects ethical and business-like conduct of its members, henceforth referred to as Directors. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as Board members.

1. Directors must represent unconflicted loyalty to the interests of the ownership. The accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership.
2. on other Boards or staffs. This accountability supersedes the personal interest of any Director acting as an individual church member.
3. Directors must avoid any conflict of interest with respect to their fiduciary responsibility. Taking into consideration individual circumstances involving a contract or transaction, the Board may waive the conflict of interest if: (1) full disclosure is made to the Board of the specific terms of the contract or transaction by the interested Board member; (2) the Board determines that the contract or transaction is fair, reasonable and in the best interest of UUCB; and (3) the Board agrees to waive the conflict by a majority vote of Board members present at a meeting of the Board (not counting the interested Director). The interested Board member may be present during the Board's discussion of the conflict to answer questions raised by any Board member, but shall not be present during the Board's vote. The minutes of the Board meeting shall clearly reflect that the requirements above have been met.
  - a. There must be no self-dealing or any conduct of private business or personal services between any Director and the UUCB except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.
  - b. Directors must not use their positions to obtain for themselves, family members, or close associates employment within the UUCB.
  - c. Should a Director be considered for employment by the UUCB, he or she must temporarily withdraw from Board deliberation, voting, and access to applicable Board information.
  - d. Should a Director be employed by the UUCB or act as a paid consultant, he or she must resign from Board service.
4. Board members may not attempt to exercise individual authority over the UUCB except as explicitly set forth in Board policies.
  - a. Directors' interaction with Senior Minister or staff must recognize the lack of authority in any individual Director or subgroup (committee, task force, ministry team) of Directors.
  - b. Directors' interaction with the public, press, or other entities must recognize the same limitation and the similar inability of any Director except the President to speak for the Board.
  - c. Directors shall make no judgments of the Senior Minister or staff performance except as that performance is assessed against explicit Board policies by a formal evaluation process.
  - d. Directors are encouraged to continually self-monitor their individual performance as Directors against policies, against the qualifications listed in

the current Director position description, and against any other current Board evaluation tools.

### **Policy III.E: Committee Principles**

Board-appointed committees, when used, shall be assigned so as to reinforce the wholeness of the Board's job and never to interfere with delegation from Board to Senior Minister. A Board-appointed task force is considered a committee for the purposes of this policy.

1. Board committees are to help the Board do its job, never to help or direct the Senior Minister or the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have dealings with current staff operations.
2. Board committees shall not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority shall be carefully stated in order not to conflict with authority delegated to the Senior Minister.
3. Board committees are not to be created by the Board to advise staff.
4. The Senior Minister works for the Board, never for a Board committee or officer. Board committees cannot exercise authority over staff. Further, the Board shall not impede its direct delegation to the Senior Minister by requiring approval of a Board committee before any Senior Minister action.
5. This policy applies only to committees that are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the Senior Minister.
6. Members of Board committees shall adhere to the conflicts-of-interest policies.

### **Policy III.F: Standing Committee(s)**

The Finance Committee shall provide an annual budget report to the Board at the April Board meeting.

### **Policy III.G: Agenda Planning**

To accomplish its mission with a governance style consistent with Board policies, the Board will follow an Annual Cycle of Planning and Evaluation, that (1) completes re-exploration of Ends policies annually, (2) continually improves Board performance through Board education and enriched input and deliberation, and (3) undertakes long-term visioning for the UUCB.

Accordingly, at the start of each Board's year, the Board will develop an agenda for the coming year that includes:

1. A short list of Open Questions about the Church's future;
2. A short list of top-priority areas where the Church will advance its work in the coming year;

3. Planned consultations with selected stakeholder groups (for example, committees, task forces, and staff) or other methods of gaining input; and
4. Governance education and education related to Ends determination (for example denominational consultants and advocacy groups) will be arranged in the last quarter, and conducted during the first two quarters of the next year.

### **Policy III.H: Meeting Participation through Electronic Communication**

1. A Director who participates in a Board meeting by means of electronic communication is considered to be present at the Board meeting, shall be counted for purposes of establishing a quorum, and may vote at the Board meeting.
2. Directors may participate in meetings of the Board by electronic communication only if the Director uses a means of communication that permits all participants and observers in the meeting to simultaneously communicate with each other during the Board meeting.
3. A majority of the Directors participating in a meeting may be physically present at the place where the Board meeting is conducted. In the event that conditions preclude an in-person meeting of the Board, the presiding officer may convene regular or ad hoc meetings by means of electronic communications, provided that the conditions in policy III.H.2 are met.
4. A Director must attend at least half of the Board's meetings.
5. When decisions must be made electronically by the Board of Directors between normally scheduled meetings, the presiding officer may poll members for a vote on the formal motion electronically, provided that reasonable provision is made for discussion of the motion. In such cases, the Board of Directors will affirm that motion and the results of the vote, yea or nay, by normal vote at the next regularly scheduled meeting in order to enter the motion and decision into the record.

### **Section III. I: Operational Reserve**

UUCB shall maintain an Operational Reserve which shall receive any surplus from the annual operating budget. The Operational Reserve may be drawn from to balance the annual budget when approved by the congregation. It may be drawn from to cover unexpected shortfalls in income in the annual budget when approved by the Board. Any interest, or other income, generated by the Operational Reserve shall be deposited into the Reserve. The Senior Minister shall include the Operational Reserve in the financial reporting to the Board at least annually.

### **Section III. J: Operational Endowment**

UUCB shall maintain an Operational Endowment which shall receive donations when so designated by the donor. Funds may be transferred to the Operational Endowment from the Operational Reserve when approved by the congregation.

The Special Purposes Fund Committee is requested to manage the investment of the Operational Endowment on behalf of the congregation and provide the Board with a financial report at least annually. Distributions from the Operational Endowment may be used for operations and will be included in the annual budget as income.



## **IV. Board-- Senior Minister Relationship**

### **Policy IV: Global Board-- Senior Minister Relationship**

The Board's sole official connection to the operational organization, its achievements, and its conduct shall be through the Senior Minister. As the Board's official link to the operating organization, the Senior Minister is accountable for all organizational performance and exercise of all authority given the organization by the Board via the Board Policies. Senior Minister performance shall be considered to be synonymous with the performance of the UUCB.

#### **Policy IV.A: Unity of Control**

Only decisions of the Board acting as a body are binding on the Senior Minister.

Accordingly,

1. Decisions or instructions of individual Board members, officers, or committee members are not binding on the Senior Minister except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members or committees requesting information or assistance without Board authorization, the Senior Minister can refuse such requests that require, in the Senior Minister's opinion, a material amount of staff time or funds, or are disruptive.

#### **Policy IV.B: Accountability of the Senior Minister**

The Senior Minister is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, and operational committees is considered the authority and accountability of the Senior Minister.

Accordingly,

1. The Board shall never give instructions to persons who report directly or indirectly to the Senior Minister.
2. The Board shall refrain from evaluating, either formally or informally, any staff other than the Senior Minister.
3. The Board shall view Senior Minister performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends and avoidance of Board-proscribed means shall be viewed as successful Senior Minister performance.

#### **Policy IV.C: Delegation to the Senior Minister**

The Board shall instruct the Senior Minister through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the Senior Minister to use any reasonable interpretation of these policies.

Accordingly,

1. The Board shall develop certain policies systematically from the broadest, most general level to more defined levels as follows:

- a. Ends policies shall instruct the Senior Minister to achieve certain results, for certain recipients.
  - b. Senior Minister limitations policies shall limit the latitude the Senior Minister may exercise in choosing the organizational means.
2. As long as the Senior Minister uses any reasonable interpretation of the Board's Ends and Senior Minister limitations policies, the Senior Minister is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.
3. The Board may change its Ends and Senior Minister Limitations policies, thereby shifting the boundary between Board and Senior Minister domains. By doing so, the Board changes the latitude of choice given to the Senior Minister. But as long as any particular delegation is in place, the Board shall respect and support the Senior Minister's choices.

#### **Policy IV.D: Monitoring Senior Minister Performance**

Systematic and rigorous monitoring of Senior Minister job performance shall be solely against the expected Senior Minister job outputs as defined by the Ends.

Accordingly,

1. Monitoring is solely to determine the degree to which Board policies are being met. Data that do not do this shall not be considered to be monitoring data.
2. The Board shall acquire monitoring data by one or more of three methods: (a) by internal report, in which the Senior Minister discloses compliance information to the Board, (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and (c) by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be any reasonable Senior Minister interpretation of the Board policy being monitored.
4. All policies that instruct the Senior Minister shall be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on the following schedule.

### **V. Monthly Monitoring Schedule**

The following Monitoring Schedule is based on a July-June fiscal year. Text in parenthesis refers to the relevant section of the Board Policies.

#### **Policy V.A. Senior Minister Reporting**

Reports by the Senior Minister (or delegate) to the Board will include:

- Monthly report: The Senior Minister shall report to the Board each month. That report shall cover the following topics as needed:
  - Progress of the UUCB towards its Ends (Section I)

- Issues concerning constraints of the Board Policies or UUCB Bylaws (Section II.A)
- Reports of conflict of interest by the Senior Minister (Section II.G: Purchases, Grants, and Contracts)
- Issues related to policy II.H: Communication and Counsel to the Board<sup>[1]</sup><sub>(SEP)</sub>
- Issues related to policy II.I: Sanctuary
- Issues with or proposals to improve the Board-Senior Minister relationship (IV)
- August:
  - Summary of insurance policies, limits, and coverage (II.F.1-2: Asset protection)
- September:
  - Religious Education update (II.J: Religious Education)
- October:
  - Statement of Cash Flow (II.E: Financial Condition)
- November:
  - Five-year Capital Plan (II.D: Financial Planning)
- December:
  - Personnel policies, Safety Procedures (II.B: Staff and Volunteer Treatment<sup>[1]</sup><sub>(SEP)</sub>)
  - Religious Education update (II.J: Religious Education)
- January
  - Statement of Cash Flow (II.E: Financial Condition)
- February:
  - Budgetary requests for next fiscal year for consideration by the Finance committee (II.D1: Annual Budgeting)
  - Current and desired Compensation and Benefit levels for all staff and ministers (II.C: Compensation and Benefits)
    - This excludes the Senior Minister, as the Board sets their compensation.
  - Religious Education update (II.J: Religious Education)
- April:
  - Statement of Cash Flow (II.E: Financial Condition) and financial report on the operational reserve.
- May:
  - Religious Education update (II.J: Religious Education)

### **Policy V.B. Reports from Special Purpose Fund Committee**

In August and February, the Special Purpose Funds Committee will provide a written report on the six-month summary of performance of invested funds, including the Operational Endowment.

### **Policy V.C: Reports from the Finance Committee**

In April, the Finance Committee will present to the Board a proposed Budget for the next fiscal year (III.F: Annual Budgeting).

## Policy V.D: Self-monitoring by the Board

Monitoring by the Board will be:

- Linkage: Each month the Board will consider any communications from the ministers, staff, and congregation relative to the governance of the UUCB.
- July:
  - By President: Plan the Board Agenda for upcoming year (III.G: Agenda Planning)
- September:
  - By Treasurer: External Audit report (II.F.3-9 Asset Protection)
    - Every fourth year (2016, 2020, etc.)<sup>[1]</sup><sub>[SEP]</sub>
- November:
  - By Treasurer: Internal Audit report (II.F.3-9 Asset Protection)
    - Every odd numbered year without an external audit.
- January:
  - By President: Assessment of effectiveness of Ends Statements (I. All Ends Statement Policies)
- February:
  - By all Board members: Review and update position descriptions.
- June:
  - By President: Examination of Board's Governance Process (Section III.A-E, H)
  - By President: Document progress from Board Agenda (III.G: Agenda Planning)

## VI. Acknowledgments

Much of the text of these policies was drawn with permission from the governing policies of the Unity Church-Unitarian of St. Paul, Minnesota<sup>1</sup> and the Carver Policy Governance policy templates<sup>2</sup>, and the policy monitoring schedule was adapted from the University Unitarian Church of Seattle, Washington<sup>3</sup>.

The Board also drew much knowledge and inspiration for policy governance from consultants Rev. Stefan M. Jonasson and Rev. Barbara Childs, and from several Unitarian Universalist Association conference workshops.

The Agenda planning in III.D is taken from Hotchkiss, Dan. Governance and Ministry: Rethinking Board Leadership. Rowman & Littlefield Publishers. Second Edition.

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<sup>1</sup> <http://www.unityunitarian.org>

<sup>2</sup> <http://www.carvergovernance.com/index.html>

<sup>3</sup> <http://www.uuchurch.org>