

University Unitarian Church Board of Trustees

Governance Policy Documents

Accepted: 19 April 2007

- I. **OUTCOMES POLICY:** UUC awakens its members to the personal or spiritual growth they seek, and inspires them to return the gifts of their transformation to UUC and their communities.
- A. People feel welcomed into a caring Church community.
 - B. People feel at peace and hopeful, and share those feelings with their families and the world.
 - C. People feel inspired to see, hear, and think in ways that deepen our understanding and expand our vision.
 - D. People feel strong enough in heart and mind to face the challenges they may encounter in life, and look to others for strength when they need it most.
 - E. People feel helpful to others in our community and beyond, sharing their energies and resources freely and in love, in living witness to our shared values.
 - F. People feel grateful for the deep liberal religious legacy of Unitarian Universalism and the promise of its principles.

II. STAFF LIMITATIONS

- A. **TREATMENT OF CONGREGANTS:** With respect to interactions with congregants, the Executive Team shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy.
- B. **TREATMENT OF STAFF:** The Executive Team shall not fail to create a safe and positive working environment in which paid and volunteer staff believe their work is valued, and in which they are treated fairly and with respect.

ACCORDINGLY, the Executive Team may not

1. 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.
 2. Subject staff or volunteers to unsafe or unhealthy conditions.
 3. Operate without written personnel policies, approved by the Board of Trustees, that:
 - a. Clarify personnel policies for staff,
 - b. Provide for effective handling of employee evaluation and grievances
 - c. Protect against wrongful conditions, such as harassment.
 4. Fail to provide staff with a written statement of this policy.
 5. Withhold from staff a due-process internal grievance procedure.
 6. Prevent staff from bringing a grievance to the Board when:
 - a. Internal grievance procedures have been exhausted, and
 - b. The employee alleges either that
 - i. Board policy has been violated to his or her detriment, or
 - ii. Board policy does not adequately protect his or her human rights.
 7. Allow staff to be unprepared to deal with emergency situations.
 8. Fail to provide appropriate privacy/confidentiality.
- C. **COMPENSATION AND BENEFITS:** With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the Executive Team shall not cause or allow jeopardy to fiscal integrity or public image of UUC.

ACCORDINGLY, the Executive Team may not:

1. Change individual Executive Team members' 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 UUA fair share guidelines and the geographic market subject to a budget that will support such compensation. Where compensation must deviate from such fair share guidelines, the Executive Team and Board shall not fail to devise a long-term plan to meet such guidelines.
 - 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 organization to benefits that incur unpredictable future costs.
 - b. Provide less than some basic level of benefits to all full-time employees.
 - c. Allow any employee to lose benefits already accrued from any forgoing plan.
- D. FINANCIAL PLANNING AND BUDGETING:** Financial planning for any fiscal year or the remaining part of any fiscal year shall not risk financial jeopardy nor deviate materially from Church Bylaws or from Outcome priorities set by the Board.

ACCORDINGLY, the Executive may not cause or allow fiscal projections that:

- 1. Contain too little detail to enable
 - a. Reasonably accurate projection of revenues, expenses, and cash flow,
 - b. Separation of capital and operational items,
 - c. Disclosure of planning assumptions, and
 - d. Subsequent accounting trails.
 - 2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be available for that period.
 - 3. Fail to incorporate an itemized plan for capital expenditures and the means to pay for them. Capital expenditures are all payments for any building additions, major improvement projects or equipment purchases over \$1,000.00 each.
 - 4. Deviate materially from Board stated priorities and requirements (see Outcomes policies) in its allocation among competing fiscal needs.
 - 5. Fail to plan adequately for maintenance and repair of Church facilities in accord with prudent practices and any maintenance plan required by Board policy.
 - 6. Fail to identify in the proposed budget known annual, capital, or special-cause fundraising activities on behalf of the Church. Furthermore, the Executive Team shall not fail to have procedures that authorize and coordinate fundraising that is done on behalf of the Church or on Church property or by any Church group for any other purpose.
- E. FINANCIAL CONDITION AND ACTIVITIES:** With respect to the actual, ongoing financial condition and activities, the Executive Team shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Outcomes policies.

ACCORDINGLY, the Executive Team may not:

1. Allow actual expenditures to deviate materially from Board priorities in Outcomes policies or budgets.
 2. Borrow any amounts without prior Board approval.
 3. Fail to settle payroll and other obligations in a timely manner.
 4. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
 5. Acquire, encumber, or dispose of real property without prior Board approval, or where called for in Church Bylaws, congregational approval.
 6. Expend any endowment or restricted funds for other than the purposes determined at time of receipt or restriction or in amounts that exceed limitations set by Board policies.
 7. Receive, process, or disburse funds without controls sufficient to meet Generally Accepted Accounting Principles.
 8. Fail to implement financial and operational audits as designated in the Monitoring Schedule.
 9. Fail to implement findings from periodic financial or operational audits.
 10. Fail to inform the Church Board in writing when acquiring bequests or gifts greater than \$10,000.00. (May be included in the monthly Cash Flow Report in the Monitoring Schedule.)
 11. Fail to provide at least quarterly to the Board of Trustees full reports in writing of revenue, expenses, financial condition, and investment performance, as designated in the Monitoring Schedule.
 12. Fail to annually present to the Board a plan in writing for allocation of unrestricted and unbudgeted resources, as designated in the Monitoring Schedule.
 13. Conduct transfer within or between Invested Funds or Invested and Operating Funds without prior Board approval (“Funds” here refer to Capital, Operating, Knatvold, Program and Endowment Funds).
 14. Allow monetary amounts in excess of one month’s operating expenses to remain in low or non-interest bearing checking accounts for longer than one month.
- F. **ASSET PROTECTION:** The Executive Team shall not allow Church assets to be unprotected, inadequately maintained, or unnecessarily risked.

ACCORDINGLY, the Executive Team may not:

1. Fail to establish and implement appropriate plans and procedures for risk management, safety and security, which include adequate insurance policies and coverage.
2. Fail to report annually in writing to the Board the status of risk management, safety and security including insurance policies and coverage.
3. Fail to insure against theft and casualty loss of Church property at replacement value.

4. Fail to adequately insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Washington State non-profit organizations.
5. Allow unbonded personnel access to material amounts of negotiable Church property.
6. Subject plant and equipment to improper wear and tear or insufficient maintenance.
7. Unnecessarily expose the organization, its Board or staff, to claims of liability.
8. Unnecessarily risk the Church's non-profit status.
9. Make any purchase of over \$5,000.00 without at least two competitive bids.
10. Cause or allow any conflict of interest in awarding purchases or other contracts.
11. Fail to protect intellectual property, information, electronic data and files from loss, misuse or significant damage, excluding the work of called ministers, who are the sole owners of their intellectual property.
12. Receive, process, or disburse funds under controls insufficient to meet the Board appointed auditor's G.A.A.P. standards.
13. Invest or hold operating capital in insecure instruments or uninsured bank accounts.
14. Invest Church funds in instruments that expose the Church to undue risk.
15. Invest Church funds without reasonably considering socially responsible investing.
16. Invest Church funds in instruments that do not prudently optimize return and expose the Church to undue risk.
17. Endanger the Church's public image or credibility, particularly, in ways that would hinder accomplishment of its Outcomes policies or mission.
18. Change the organization's name or substantially alter its identity in the community.
19. Create or purchase any subsidiary corporation without approval of the Board of Trustees.

G. **ASSET UTILIZATION:** The Executive Team shall not allow the use of Church assets in a manner that does not support the Outcomes policies and is not congruent with Unitarian Universalist principles.

H. **GRANTS OR CONTRACTS:** The Executive Team may not enter into any grant or contract arrangements that fail to emphasize primarily the achievement of Outcomes and, secondarily the avoidance of unacceptable means.

ACCORDINGLY, the Executive Team may not

1. Fail to obtain Church Board approval prior to executing any contract in an amount greater than \$50,000. This "Contract Limit" amount will be reviewed and adjusted by the Board from time to time.
2. Make a single purchase or commitment of greater than \$25,000 without obtaining and considering at least three bids or offers, unless under the circumstances it would be unreasonable to obtain and consider multiple bids or offers.

3. Fail to seek legal advice when necessary to interpret and assess contractual terms.
4. Hire assistant ministers, interns or staff in a manner inconsistent with the Bylaws, Board policies, Annual Budget, or UU Principles.
5. Accept any grant, gratuity, or gift with restrictions that are contrary to the Church's Mission, Outcomes or UU Principles.

I. **COMMUNICATION AND SUPPORT TO THE BOARD:** The Executive Team shall not cause or allow the Board to be uninformed or unsupported in its work.

ACCORDINGLY, the Executive Team may not

1. Fail to submit monitoring information required by the Board in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
2. Fail to inform the Board in a timely manner of relevant trends, public policy initiatives, public events of the Church and material external and internal changes, particularly changes in the assumptions upon which any Board policy has been established.
3. Fail to gather and share with the Board as many points of view, issues, and options as needed for fully informed Board decisions.
4. Present information in unnecessarily complex or lengthy form.
5. Fail to recommend changes in Board policies, if such need becomes known to the Executive Team.
6. Fail to advise the Board if the Board is not in compliance with its own policies on Governance Process and Board-Management Linkage, particularly in the case of Board behavior that is detrimental to the working relationship between Board and staff.
7. Fail to provide a mechanism for official Board, officer or committee communication.
8. Fail to report in a timely manner any actual or anticipated non-compliance with any policy of the Board.

J. **UNITY OF VOICE:** The Executive Team shall not fail to speak as one voice to all parties to whom the team is responsible.

K. **CONTINUOUS OPERATION:** In the event a member of the Executive Team is unable to participate due to absence or emergency, the remaining team members will not fail to continue operations while the Board considers need for a replacement.

III. BOARD MANAGEMENT LINKAGE

- A. **COMPOSITION OF THE EXECUTIVE TEAM:** The Executive Team is composed of the Senior Minister, the Minister, and the Business Manager.
1. The Senior Minister is generally considered the organizational leader and may have supervisory authority over Executive Team members who are not ministers called by the congregation.
- B. **UNITY OF VOICE:** Only decisions of the Board as a body, stated in officially passed motions, are binding on the Executive Team.
- C. **ACCOUNTABILITY OF THE EXECUTIVE TEAM:** The Executive Team is the Board's only link to the organization's success and conduct. All authority and accountability of paid staff and volunteers is considered by the Board to be the authority and accountability of the Executive Team.

ACCORDINGLY:

1. The Board will not give instructions to persons who report to the Executive Team.
 2. The Board will not evaluate any staff other than the Executive Team.
 3. The Board will view Executive Team performance as identical to organizational performance.
 4. Consequently, the Executive Team's job contributions can be stated as performance in three areas:
 - a. Accomplishment of organizational outcomes as stated in Board policies.
 - b. Organization operation within the boundaries of prudence and ethics established in Board policies on Executive Team limitations.
 - c. Appropriate use and delegation of power.
- D. **DELEGATION TO THE EXECUTIVE TEAM:** The Board will instruct the Executive Team through written policies that prescribe the organizational Outcomes to be achieved and describe organizational situations and actions to be avoided, allowing the Executive Team to use any reasonable interpretation of these policies. The Board will establish topmost policies on Outcomes and Staff Limitations, leaving implementation and subsidiary policy development to staff.

ACCORDINGLY:

1. The Board will develop policies defining results. These policies will be called Outcomes policies.
2. The Board will develop policies that limit the latitude the Executive Team may exercise in choosing the organizational means. These policies will be called Staff Limitations policies.
3. No individual trustee, officer, or Board committee has authority over the Executive Team.
4. As long as the Executive Team uses any reasonable interpretation of the Board's Outcomes and Staff Limitations policies, the Executive Team is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the Executive Team shall have full force and authority as if decided by the Board.

5. Should Executive Team member deem it necessary to violate Board policy, he or she shall inform the Board President or another officer if the president is not available as soon as possible. Informing is simply to guarantee no violation is intentionally kept from the Board, not as a request for approval. Trustee response, either approving or disapproving, does not exempt the Executive Team member from subsequent Board judgment of the action nor does it impede any Executive Team member decision.
6. Executive Team authority does not extend to supervising, interpreting Board policies to, or otherwise directing the president, individual trustees, or Board subgroups regarding Board policy. Nothing in this policy is intended to interfere with mutual interaction about individual understanding of policies.
7. The Board may change its Outcomes and Staff Limitations policies at any time.

E. MONITORING EXECUTIVE TEAM PERFORMANCE: Monitoring Executive Team performance is synonymous with monitoring organizational performance against Board policies. Systematic and rigorous monitoring of Executive Team job performance will be solely against the Executive Team expectations: organizational accomplishment of Outcomes and operation within the Board established Staff Limitations. Monitoring will be as automatic as possible, using a minimum of Board time so that the work of the Board is focused on the future rather than review of the past.

ACCORDINGLY:

1. Monitoring is simply to determine the degree to which Board policies are being met.
2. Information may be requested by any individual trustee, officer, or committee, but if such request in the Executive Team member's judgment requires a material amount of staff time, it may be refused with explanation.
3. The Board will acquire monitoring information by one or more of three methods:
 - a. Internal report, in which the Executive Team discloses interpretations and compliance information to the Board.
 - b. External report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies.
 - c. Direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
4. The Executive Team members report to the Board for their areas of responsibility and also as a team for collaboration towards overall achievement of the mission, outcomes and goals.
5. In every case, the Board will judge (a) the reasonableness of the Executive Team's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
6. In every case, the standard for compliance shall be any reasonable Executive Team interpretation of the Board Policy being monitored. The Board is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by Board members or by the Board as a whole.
7. All policies that instruct the Executive Team will 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 a routine schedule.

- F. **DISCIPLINARY POLICY:** The Board will pursue the following process in the event that it determines a policy violation has occurred and it judges the degree and seriousness of the violation warrants initiating a disciplinary process:
1. Verbal warning (documented in writing); more frequent monitoring of the violated policy; the Executive Team member will present to the Board at the next Board meeting his or her plan to remediate the violated policy.
 2. First written warning. This step will be taken if there is no noticeable improvement in the Executive Team member's willingness and/or ability to refrain from the policy violation following a reasonable period of time for the Executive Team member to implement changes and for the Board to monitor them.
 3. Second written warning. This step will be taken if the policy violation continues. If the violation involves a called minister, the Board at this point may also determine whether and by what means to notify the congregation.
 4. Unless the individual is a called minister, the Board will determine whether to suspend (with or without pay) or to terminate the individual for continued policy violations. If the individual is a called minister, the Board will:
 - a. Recommend dismissal of the called minister for continued policy violation. The Board will meet with the minister to determine how to address his or her departure.
 - b. Make known to the congregation the nature of the ongoing policy violations as well as efforts to address the issue at every point. The Board will call a meeting of the congregation in compliance with Bylaws regarding dismissal of the minister.

IV. GOVERNANCE PROCESS

The Board of Trustees will ensure, on behalf of the congregation, that UUC furthers its chosen Outcomes with appropriate use of its resources, and avoids unacceptable actions and situations as defined in Church Bylaws and these policies.

A. **GOVERNING STYLE:** The Board will govern lawfully and in accordance with Church Bylaws, with emphasis on:

1. Outward vision rather than day-to-day decision making
2. Encouragement of diversity in viewpoints
3. Strategic leadership more than administrative detail
4. Clear distinction of Board and Executive Team roles
5. Collective rather than individual decisions
6. Future focus, rather than past or present
7. Being proactive rather than reactive

while upholding our Unitarian Universalist principles.

ACCORDINGLY:

1. The Board shall deliberate in many voices, but govern in one. After subjects have been discussed and voted upon, both majority and minority shall support the action taken and speak with one voice.
2. The Board shall guide the Church through the careful establishment of broad written policies reflecting the congregation's values and perspectives in respect to Outcomes to be achieved and Means (Staff Limitations, Board Management Linkage, and Governance) policies. The Board's focus shall be on the intended Outcomes not on the administrative or programmatic means of attaining those Outcomes.
3. The Board shall enforce upon itself whatever discipline is needed to govern with excellence. Discipline applies to policy-making principles, respect for defined roles, preparation, attendance, and ensuring the Board's continuing ability to govern.
4. Continual Board development shall include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.
5. The Board shall monitor and discuss the Board's process and performance as necessary and at least annually.

B. **BOARD JOB DESCRIPTION:** The job of the Board is to represent the congregation in ensuring appropriate organizational performance. This responsibility is subject to provisions in the Church Bylaws defining the respective responsibilities of the Board, Staff, and Congregation.

ACCORDINGLY, the Board shall:

1. Engage in long-term visioning while in conversation with the congregation.

2. Establish written governing policies that, at the broadest level, address each category of organizational decision:
 - a. Outcomes: Organizational effects, benefits and outcomes, considering their relative worth for which recipients at what cost.
 - b. Staff Limitations: Constraints on Executive Team authority within which all Executive Team activity and decisions must take place.
 - c. Governance Process: Specification of how the Board conceives, carries out and monitors its own tasks.
 - d. Board-Management Linkage: The delegation of authority and the evaluation of its proper use and the Executive Team's role, authority and accountability.
- C. **AGENDA PLANNING:** To accomplish its tasks with a governance style consistent with Board policies, the Board will follow an annual agenda that:
1. Completes the Monitoring Schedule as laid out under Board-Management Linkage in these policies, and
 2. Continually improves Board performance through investment in Board education and enriched input and deliberation.
- D. **ROLES OF BOARD OFFICERS:** Selection and duties of officers shall be determined by Church Bylaws, additional duties may be assigned as needed.
1. Accordingly, the Board shall have the following officers: President, Vice President, Treasurer, and Secretary.
 2. The Role of the President: As a specially empowered member of the Board, the President ensures the integrity of the Board's process and represents the Board to congregants and outside parties.
- E. **BOARD MEMBERS' CODE OF CONDUCT:** The Board commits itself and its members to prudent, ethical and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

ACCORDINGLY:

1. Board members must be loyal to the interests of the congregation. When acting in the role of UUC Board member, this loyalty should supersede all other loyalties in order to avoid conflicts of interest.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. Members shall annually disclose their involvements with other organizations, vendors or any other associations that might produce a conflict.
 - b. There must be no self-dealing or any conduct of private business or personal services between any Board member and UUC except when procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 - c. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation, by leaving the

meeting.

- d. Board members must not use their Board position to obtain employment with UUC for themselves, family members, or close associates.
 - e. Should a Board member be employed by the organization or act as a paid consultant, he or she must resign from Board service.
3. Written policies adopted by majority vote of the Board, and Church Bylaws, and shall exercise authority over the organization. Individual Board members may not attempt to exercise authority over the organization. The Board will speak with one voice through its adopted policies.
 4. Board members shall respect the confidentiality appropriate to issues of a sensitive nature.
- F. **BOARD COMMITTEE PRINCIPLES:** Committees of the Board, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to Executive Team.
- G. **BOARD COMMITTEE STRUCTURE:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.
- H. **COST OF GOVERNANCE:** The Board will invest human and financial resources to develop and maintain its governance capability.

ACCORDINGLY:

1. The Board will have the skills, methods and support it needs to assure governing with excellence.
 - a. Training and retraining will be used to orient new Board members, as well as to maintain and increase existing member skills and understating.
 - b. Outside consultations will be arranged as needed.
 - c. Outreach mechanisms will be used to ensure the Board's ability to listen to congregant viewpoints and values.
 2. Costs will be prudently incurred for such items as:
 - a. Training, including attendance at conferences and workshops,
 - b. Consultations with outside experts,
 - c. Board outreach activities.
- I. **COMPLAINT AND INQUIRY PROCESS:** The Board of Trustees will use the following process to address any inquiry *regarding policy* submitted by a member in good standing.
1. Board Officers inform Ministers of an inquiry, to help ensure overall awareness and care.
 2. Board Officers decide if the inquiry indicates a violation or potential violation of policy in one of the four policy groups.

- a. If the officers determine that the inquiry indicates a failure of the Staff Limitation policy, the officers institute review of applicable policy and ask Minister for interpretation of that policy. Board Officers determine whether that interpretation falls outside "any reasonable interpretation" of the policy.
 - i. If it does, the Board as a whole determines degree of seriousness and takes action as appropriate.
 - ii. If it does not, the inquiry is dismissed.
 - b. If the officers determine that the inquiry indicates a failure of Governance policy, the officers institute a review of applicable policy and evaluate the specific actions or lack of action taken by one or more Board members in regards to the policy. Board Officers decide whether the Board as a whole has failed to uphold proper governance.
 - i. If it has, the Board determines degree of seriousness and takes action as appropriate.
 - ii. If it has not, the inquiry is dismissed.
 - c. If the officers determine that the inquiry indicates a failure of Linkage or Outcomes policy, the officers ask the Minister to join in a review of applicable policy and evaluate what if any policy has either not been upheld or has failed to meet the needs of the congregation.
 - i. If policy has failed, the Board determines degree of seriousness and takes action as appropriate.
 - ii. If policy has not failed, the inquiry is dismissed.
 - d. If the officers determine that the inquiry does not indicate a failure in any Board policies, the inquiry is dismissed.
3. Board Officers decide whether any policies related to the original inquiry, regardless of its resolution or dismissal, require revision or clarification to address any future inquiries of the same nature.
 - a. If yes, Board Officers add the issue to the Board agenda and at the next available opportunity, the Board deliberates whether existing policy should be amended. Board Officers inform Ministers as a courtesy.
 - i. If the Board agrees to amendments, policy is amended to clarify the matter of inquiry.
 - ii. If the Board does not agree to amendments, the policies of record remain unchanged.
 - b. If no, the policies of record remain unchanged.
 4. The Board President informs the initiator of inquires of the steps taken by the Board and the subsequent resolution of dismissal.