

**Unity Temple
Unitarian Universalist Congregation**

Policy Manual

Rev. September 13, 2011

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Mission

UTUUC fosters community through love, spiritual growth, and social justice.

Vision Statement

UTUUC transforms individual lives through worship, faith development, pastoral care, small group ministry, and social mission; is a leadership center for Unitarian Universalism in the Midwest; and cultivates leaders to actively foster greater spiritual health and wholeness in our wider society and the world.

Ends Statements

1. The people of UTUUC have a deeply meaningful, transforming liberal religious experience.
We:
 - a. Find hope, beauty, and inspiration in our worship.
 - b. Deepen our individual spiritual practices.
 - c. Foster faith development and Unitarian Universalist identity for all ages.
 - d. Discover and articulate the source of love in our lives and cultivate the ability to act on that love in ever-expanding circles.

2. UTUUC cultivates community, friendship, and a sense of connection.
Our congregation:
 - a. Welcomes all who gather with us.
 - b. Cares for its members and calls on them to care for others.
 - c. Becomes ever more diverse, overcoming the barriers that divide the human family.
 - d. Generously shares human and financial resources to support our growing mission and ends.
 - e. Has facilities that are welcoming, comfortable, and accessible to all who seek their use in harmony with our mission.
 - f. Fosters the development of, and strives to make room for, lay leadership in various aspects of congregational life.

3. UTUUC inspires people to live our liberal religious values in the world.
Our shared life:
 - a. Cultivates engagement in bettering our community and the world.
 - b. Makes our region a more just and compassionate place.
 - c. Moves us to actively partner with others in community service.
 - d. Increases awareness of Unitarian Universalism and our values.
 - e. Contributes to and learns from the larger Unitarian Universalist community and other liberal religious traditions.

Policies

A. GOVERNANCE PROCESS

-The board's role and responsibilities.

POLICY #1: GOVERNING STYLE

The board will approach its task with a style that emphasizes strategic leadership more than administrative detail; a clear distinction between board and staff roles; future rather than past or present.

In this spirit, the board will:

1. Focus chiefly on intended long-term impacts (*Ends*), not on the administrative or programmatic means of attaining those impacts.
2. Direct, control and inspire the organization by carefully establishing the broadest organizational values and perspectives (policies). Policies will address a) *Ends*: what benefits for which needs at what cost, b) *Senior Minister Limitations*: boundaries of prudence and ethics to be observed by staff, c) *Governance Process*: board role and responsibilities, and d) *Board/Senior Minister Relationship*: linkage between board and staff.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, policy making principles, respect of clarified roles, speaking with one voice, and self-policing of any tendency to stray from governance adopted in board policies.
4. Be accountable to the congregation for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the board to usurp this role or hinder this discipline.
5. Monitor and regularly discuss its own process and performance, and insure the continuity of improvements through systematic maintenance of its own institutional memory.
6. Be an initiator of policy, not only a responder to staff initiatives. The board, not the staff, will be responsible for board performance.
7. Provide regular opportunities to get feedback from the congregation.

POLICY #2: BOARD JOB CONTRIBUTIONS

The job of the board is to represent the members of the congregation in determining and ensuring appropriate organizational performance.

Consequently, the board shall:

1. Serve as the link between the administration and the congregation.
2. Adopt written governing policies in a policy manual that, at the broadest levels:
 - a. Establish organizational goals, impacts, benefits, and what good for which needs at what cost (*Ends*).
 - b. Specify how the board conceives, carries out, and monitors its own task (*Governance Process*).
 - c. Establish the boundaries within which lie the acceptable arena of ministerial activity, decisions, and organizational circumstances. (*Ministerial Limitations*).
 - d. Establish rules and procedures for delegating power and monitoring its use. (*Ministerial-Board Relationship*).
3. Assure that senior minister performance is in accordance with the *Ends* Statements, *Ministerial Limitations*, and the *Letter of Call and Continuing Letter of Agreement*.

POLICY #3: PRESIDENT'S ROLE

The job of the president is to maintain the integrity of the board's process. The president is the only person authorized to officially speak for the board, other than in rare and specifically authorized instances.

1. The president ensures that the board behaves in a way that is consistent with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting content will only be those issues which, according to board policy, clearly belong to the board to decide, not the senior minister.
 - b. Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point.
 - c. Robert's Rules for small boards will be observed except where the board has suspended them (see appendix A).

2. The president's responsibility is facilitating a quality board process consistent with board policies on Governance Process and on the Board- Ministerial Relationship.
 - a. The president is empowered to chair board and congregational meetings with all the commonly accepted power of that position (e.g. ruling, recognizing, and agenda setting).
 - b. The president's authority does not extend to supervising, interpreting board policies in respect to, or otherwise directing the senior minister.

POLICY #4: BOARD MEMBERS' CODE OF CONDUCT

The board expects of itself and its members ethical and professional conduct. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as board members.

1. Board members must have unconflicted loyalty to the interests of the congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. This accountability supersedes the personal interest of any board member acting as an individual beneficiary of the organization's services.
2. Board members must avoid any conflict of interest, or the appearance of conflict of interest, with respect to their fiduciary responsibility.
 - a. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.
 - b. Board members may not be employees of the organization, and must not use their positions to obtain for family members or close associates employment within the organization.
 - c. Should a board member be considered for employment by the organization, he or she must temporarily withdraw from board deliberation, voting, and access to applicable board information.
3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.
 - a. Board members' interaction with the senior minister or with staff must recognize the lack of authority in any individual board member or group of members except as noted above.
 - b. Board members' interaction with the public, press, or other entities must recognize the same limitation and the similar inability of any member or group of members to speak for the board.
 - c. Board members will make no judgments of the senior minister's or staff's performance except as that performance is assessed against explicit board policies by the official process.

POLICY #5: BOARD-ESTABLISHED COMMITTEES

This policy applies only to committees that are formed by board action, whether or not the committees include board members. It does not apply to committees formed under the authority of the senior minister. The board may establish committees to help carry out its responsibilities. Committees will assist the board chiefly by preparing policy alternatives and implications for board deliberation. To preserve board cohesion, committees will be used sparingly, only when other methods have been deemed inadequate. Committees will be used so as to minimally interfere with the wholeness of the board's job, and so as never to interfere with delegation from board to senior minister.

1. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.
2. The board will not require approval of a board committee before a senior minister action. The senior minister reports to the board, never to a board committee or officer.
3. Board committees are to help the board do its job, not to help the staff do their jobs or to advise staff. Board committees cannot exercise authority over staff and will not ordinarily have direct dealings with current staff operations.

POLICY #6: AUDIT COMMITTEE

As the board is responsible for overseeing the congregation's business affairs, the board will appoint an audit committee each fiscal year. The audit committee reports directly to the board. The audit committee's primary duty is to perform an internal audit each year. The committee must be composed of at least two members, who have as broad expertise in accounting procedures as possible. The chair of the committee shall be an accountant if possible. Members of the finance committee in the prior fiscal year cannot be appointed to the audit committee.

The audit committee will:

1. Design, maintain and implement audit procedures with the following goals:
 - a. To obtain independent assurance that all financial records fairly represent the financial condition of the church.
 - b. To ensure that the year's financial activity has been properly recorded in accordance with UUA recommended accounting procedures.
 - c. To ensure adherence with the Financial Procedures Manual.
 - d. To maintain confidence in the integrity of the congregation's financial system and the persons responsible for handling the finances.
2. Prepare a full internal audit within two months after closing of the books for the fiscal year. Conduct internal audits within one month of the end of the 1st, 2nd and 3rd quarters of the fiscal year, when directed by the board.
3. Provide reports of its audits to the board.
4. Give the board a process update annually that describes how the different financial functions are working together to ensure the financial integrity of the congregation's funds.
5. Evaluate internal controls and reviews the procedures of each financial function annually and recommend any changes to the board.
6. When directed by the board, supervise and oversee an audit by an outside accounting firm. Receive and retain appropriate reports from the outside accounting firm.

B. MINISTERIAL LIMITATIONS

POLICY #1: GENERAL MINISTERIAL CONSTRAINT

The senior minister shall not cause or allow any practice, activity, decision, or organizational circumstance that is either imprudent or in violation of commonly accepted business and professional ethics and/or statutory obligations.

1. Dealings with staff and volunteers shall not be inhumane, unfair, or disrespectful.
2. Dealings with committees shall not be in an uncooperative manner, and guidance from relevant committees shall not fail to be considered.
3. Proposed budget and expenditures for any fiscal period or the remaining part of any fiscal period shall not deviate materially from board *Ends*, risk fiscal jeopardy, or fail to show a generally acceptable level of foresight.
4. Actual financial conditions at any time shall not incur fiscal jeopardy or compromise board *Ends*.
5. Information and advice to the board will have no significant gaps in timeliness, completeness, or accuracy.
6. Assets may not be unprotected, inadequately maintained, or unnecessarily risked.
7. Compensation and benefits shall not deviate materially from market.
8. There shall be no conflict of interest in awarding purchases or other contracts.

POLICY #2: STAFF TREATMENT

With respect to the treatment of paid and volunteer staff, the senior minister may not:

1. Discriminate against staff or potential staff based on legally protected characteristics as defined by village, state, and federal law.
2. Subject staff to unsafe or unhealthy conditions.
3. Withhold from staff a nonbiased, due-process grievance procedure that is published in the congregation's personnel manual and includes a provision allowing staff to present grievances to the personnel committee.
4. Prevent staff from bringing appropriate concerns to the board when: a) internal grievance procedures have been exhausted and/or b) the employee alleges either that (i) board policy has been violated or (ii) board policy does not adequately protect his or her human rights.

POLICY #3: COMPENSATION AND BENEFITS

With respect to employment, compensation, and benefits to employees other than called ministers, consultants, contract workers, and volunteers, the senior minister may not cause or allow jeopardy to the organization's fiscal integrity or public image.

Accordingly, he or she may not:

1. Change the compensation and benefits as established by the board for the senior minister or for other called ministers.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that:
 - a. Deviate materially from the geographic or professional market for the experience and skills employed.
 - b. Create obligations over a longer term 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.

POLICY #4: STAFF AND COMMITTEE COVENANTING

With respect to the relationship between committees and paid staff, the senior minister shall not fail to help both parties reach agreement about their respective roles and responsibilities.

Accordingly, he or she may not fail to:

1. Ensure that each committee has the opportunity, within a set time frame, to review the scope of its work and determine the responsibilities of individual members.
2. Approve the job description and formalize job expectations for each paid staff member he or she supervises.
3. Provide the chance for each committee that has a relationship with a paid staff member to establish a written covenant in a face-to-face meeting.
4. Ensure that the completed covenants have been forwarded to the Administrative Team for informational purposes (not for alteration or approval).
5. Ensure that each covenant is reviewed annually by the committee and staff member involved; modified as necessary; and shared with the Administrative Team.

POLICY #5: FINANCIAL PLANNING

With respect to planning fiscal events (proposed budgeting for all or any remaining part of a fiscal period), the senior minister may not jeopardize either programmatic or fiscal integrity of the organization.

Accordingly, he or she may not propose budgeting that:

1. Contains too little detail to enable: a) reasonably accurate projection of revenues and expenses, b) a distinction between capital and operational items, c) tracking of cash flow (including a written rationale), and d) disclosure of planning assumptions.
2. Plans the expenditure for any fiscal year of more funds than are conservatively projected to be received in that period.
3. Reduces the current assets at any time to less than twice current liabilities or allows cash to drop below a safety reserve of \$20,000 at any time.
4. Is inconsistent with board-stated priorities (see *Ends* policies) in its allocation among competing budgetary needs.

POLICY #6: FINANCIAL CONDITION

With respect to the actual, ongoing condition of the organization's financial health, the senior minister may not cause or allow the development of fiscal jeopardy or loss of allocation integrity.

Accordingly, he or she may not:

1. Expend more funds than have been received in the fiscal year to date, or are available in cash reserves, unless the debt guideline (#2 below) is met.
2. Indebt the organization in an amount greater than can be repaid by otherwise unencumbered revenues reasonably anticipated to be received within 90 days.
3. Use any long-term reserves (such as endowment and trust funds).
4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances from otherwise unencumbered revenues within 30 days.
5. Allow cash to drop below the amount needed to meet payroll and pay debts in a timely manner.
6. Allow actual expenditures to be inconsistent with board priorities in *Ends* policies.

POLICY #7: ASSET PROTECTION

With respect to proper stewardship of the congregation's assets, the senior minister may not risk losses beyond those necessary in the normal course of business.

Accordingly, he or she may not:

1. Fail to insure against property and casualty losses to at least 80 percent replacement value and against liability losses to board members, staff, or the organization itself to below the commercially reasonable level.
2. Allow unauthorized personnel access to funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, or its board or staff, to claims of liability.
5. Make on his or her own authority any purchase of greater than \$5,000. Make any purchase of over \$2,000 without sealed bids nor any purchase of over \$500 without confirmation of competitive prices.
6. Dispose of any asset valued more than \$5,000.
7. Receive, process, or disburse funds under controls insufficient to meet the board-appointed auditor's standards.
8. Invest operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AAA rating.

POLICY #8: COMMUNICATION AND COUNSEL TO THE BOARD

With respect to providing information and counsel to the board, the senior minister may not cause or allow the board to be uninformed or misinformed.

Accordingly he or she may not:

1. Fail to keep the board apprised of relevant trends, public events, and statements of the organization, or 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 the board policy *Monitoring Senior Minister Performance* in a timely, accurate, and understandable fashion, directly addressing provisions of the board policies.
3. Fail to gather and present to the board as many staff and external points of view, issues, and options as needed for fully informed board choices.
4. Present information in an unnecessarily complex or lengthy form or without appropriate detail.

C. BOARD-SENIOR MINISTER RELATIONSHIP

- Delegation of authority and monitoring performance

POLICY #1: DELEGATION TO THE SENIOR MINISTER

The board is generally responsible for establishing overarching policies, leaving implementation and subsidiary policy development to the senior minister. *Ends* policies direct the senior minister to achieve certain results; policies on *Ministerial Limitations* direct the senior minister to act within certain boundaries. All board authority delegated to staff is delegated through the senior minister, so that all authority and accountability of staff can be phrased, insofar as the board is concerned, as authority and accountability of the senior minister. The senior minister is accountable for all organizational performance and exercises all authority transmitted into the organization by the board.

1. The senior minister is authorized to establish further policies, make decisions, take actions, and develop activities that are all true to the board's policies. The board may, by changing its policies, change the authority delegated to the minister. The board will respect the senior minister's choices made within the bounds of delegated authority. This does not prevent the board from obtaining information about activities in the delegated areas.
2. No individual board member, officer of the board, or committee has authority over the senior minister. Individuals and committees may request information from the senior minister, but if the request, in the senior minister's judgment, requires an excessive amount of staff time, it may be refused, unless it is requested by the board as a whole.
3. The senior minister may not perform, allow, or cause to be performed any act that is contrary to *Ends* policies and *Ministerial Limitations* policies.
4. Should the senior minister become aware that the senior minister or his or her staff has violated board policy, the senior minister shall inform the president of the board as soon as possible. The president's response, either approving or disapproving, does not exempt the senior minister from subsequent board judgment of the action nor does it impede any ministerial decision, prior to consideration and decision of the board as a whole.
5. The senior minister shall not fail to actively pursue strategies to achieve goals set by the board.

POLICY #2: MONITORING SENIOR MINISTER PERFORMANCE

The board is responsible for monitoring the senior minister's performance. The senior minister is accountable for all organizational performance and exercises all authority transmitted into the organization by the board. Therefore the senior minister's performance will be reviewed relative to organizational performance as a whole.

1. Monitoring senior minister performance will focus on and be restricted to determining organizational performance as outlined in the UTUUC Policy Manual policies on *Ends* and *Ministerial Limitations*. Additional responsibilities and obligations of the senior minister to the Congregation are described in the "*Letter of Call and Continuing Letter of Agreement*."
2. A given policy may be monitored in one or more of the following ways:
 - a. Internal Report: Description of organizational performance information to the board by the senior minister.
 - b. External Report: Description of organizational performance information by a disinterested, external auditor, inspector, or judge who is selected by and reports directly to the board. These reports will assess ministerial/organizational performance only against policy and obligations referred to in item 1 above, and not against those of the external party, unless the board has previously indicated the external party's opinion to be the standard.
 - c. Direct board Inspection: Discovery of compliance information by a board member, a committee, or the board as a whole. This board directed assessment of documents, circumstances and/or activities clarifies performance information and allows a "prudent person" test of conformance to policy.

The frequency and method for monitoring performance relative to *Ends Statements*, *Ministerial Limitations* and the *Letter of Call and Continuing Letter of Agreement* is defined by the board and included in the UTUUC Policy Manual as *Monitoring Report Schedule*. However, upon the choice of the board, any policy can be monitored by any method at any time.

3. An annual review of senior minister performance and accountability will be scheduled and conducted by the board president in consultation with the chair of the committee on ministry.
4. Routinely monitoring performance will be done in a manner that uses a minimum of board meeting time allowing meetings to focus on current priorities.

MONITORING REPORT SCHEDULE

Senior Minister Performance—Type of report, method, frequency and date.

Policy/Area	Method	Frequency	Date	Documents
Staff Compensation & Benefits	Internal Report	Annually	Two months prior to annual meeting	Report outlining compensation & benefits for all staff in proposed budget
Financial Planning (budget)	Internal Report	Monthly	1 week prior to board meeting	Profit & Loss statement, Budget v. Actuals statement
	Direct Inspection	Annually	April	Annual Budget approved by board
Financial Condition	Internal Report	Monthly	1 week prior to board meeting	Balance Sheet, report describing current financial condition, fundraising updates & reports
Protection of Assets	Internal Report	Semi-annually	December, June	Report outlining adherence to senior minister limitations on
Administration & Personnel	Internal report	Monthly	1 week prior to board meeting	Report outlining administrative and personnel matters including staff departures, additions, and
Program <i>Ends</i>	Internal Report	Monthly	1 week prior to board meeting	Report outlining activities and accomplishments toward achieving <i>Ends</i>
	Internal Report	Semi-annually	February, October	Statement of membership numbers and changes
	Internal Report	Annually	May	Report outlining activities and accomplishments toward achieving <i>Ends</i> for the year
Strategic Plan	Internal Report	Semi-Annually	December, May	Report outlining activities and accomplishments toward achieving Goal & Objectives
Board Goals for Administrative Team	Internal Report	Monthly	1 week prior to board meeting	Report outlining activities and accomplishments towards achieving board's goals

All reports will be delivered in the month specified one week prior to the scheduled board meeting.

APPENDIX A

Robert's Rules of Order for Small Boards

In a board meeting where there are not more than about a dozen members present, some of the formality that is necessary in a large assembly would hinder business. The rules governing such meetings are different from the rules that hold in other assemblies, in the following respects:

- Members are not required to obtain the floor before making motions or speaking, which they can do while seated.
- Motions need not be seconded.
- There is no limit to the number of times a member can speak to a question, and motions to close or limit debate generally should not be entertained.
- Informal discussion of a subject is permitted while no motion is pending
- Sometimes, when a proposal is perfectly clear to all present, a vote can be taken without a motion having been introduced. Unless agreed to by unanimous consent, however, all proposed actions of a board must be approved by vote under the same rules as in other assemblies, except that a vote can be taken initially by a show of hands, which is often a better method in such meetings.
- The chair need not rise while putting questions to vote
- The chair can speak in discussion without rising or leaving the chair; and, subject to rule or custom within the particular board he usually can make motions and usually vote on all questions.

Roberts Rules of Order, Newly Revised, 9th edition