

**APPROVED POLICIES**  
**OF**  
**THE BOARD OF TRUSTEES**  
**THE FIRST UNITARIAN CHURCH OF DALLAS**

**As Amended**  
**April 17, 2008**

# Approved Board Policies

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# Approved Board Policies

## Ends

### *Global Ends Statement*

The First Unitarian Church of Dallas creates and nurtures an enduring, liberal, religious community where all souls shall grow in harmony with the divine through worship, education, service and fellowship.

### *Worship*

Our congregation, friends and visitors experience communion with the gathered congregation, the transcendent in their lives, and a strengthened human spirit.

### *Service*

Our ministries of service to each other, the larger community and the world enrich, nourish and transform us and those we serve. The Congregation's support of Service projects is well publicized. The Annual budget includes an amount for Service.

### *Education*

The lives of our members, friends and visitors of all ages are enriched and sustained by this faith community and are actively and continuously engaged in learning about religion from the Unitarian Universalist perspective, developing individual spiritual disciplines and expressing personal religious conviction through action.

The religious education programs at First Unitarian Church have defined outcomes for participants in terms of knowledge, skills, values and behavior, and :

- Where possible they are offered across generational lines and with intergenerational interaction;
- Where possible they are offered to the community outside the Church's membership.

### *Fellowship*

At The First Unitarian Church of Dallas people feel welcomed, dialogues flourish, and relationships develop through good times and bad.

The Church encourages and provides numerous opportunities for supporting the personal and collective ministries of the congregation. Opportunities within and outside the Church are well known, readily accessible, and supported by the Church's resources. Individuals will feel called, connected, equipped, and supported.

The church supports and provides care for members. The church respects long term members and assists them in actively participating in the life of the congregation. New members find and are welcomed into an affinity group.

### *Stewardship*

Our gathered resources support our congregation and matters we find important. Our vision includes a plan that provides staff and facilities adequate to meet the current and anticipated needs of our congregation at our present location.

### *Pastoral Care*

Pastoral Care is a shared ministry of the congregation that the Minister sets, reinforces and revisits. It encompasses a ministry for/to the:

- Sick and Dying;
- Crisis;
- Joy;
- Housebound.

## **Executive Limitations**

### ***Global Executive Constraint***

The CEO shall not cause or allow any decision, action, condition or organizational circumstance that is illegal, imprudent, in violation of commonly accepted business and professional ethics.

### ***Treatment of Members, Friends, and Visitors***

With respect to interactions with member, friends and visitors of the church (hereinafter referred to as “parishioners”) the CEO shall not allow conditions procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality and privacy.

### ***Treatment of Staff***

With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, unsafe, unprofessional or undignified.

Accordingly, he or she 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 nepotism and grossly preferential treatment for personal reasons.
- 2) Discriminate against any staff member.
- 3) Fail to apply the standards of the Church’s mission, values, and ends to interactions with staff.

### ***Financial Planning and Budgeting***

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi year plan.

Accordingly, the CEO shall not allow budgeting that:

- 1) Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- 2) Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- 3) Fails to maintain a process to build a cash reserve of \$100,000 by 2012.

### ***Financial Conditions and Activities***

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends Policies.

Accordingly, the CEO shall not:

- 1) Indebt the church nor enter into a contract that could indebt the church in an amount greater than 5% of the then current year's budget in any single transaction, nor greater than 10% of the then current year's budget in the aggregate.
- 2) Use any long-term reserve without approval of the Board of Trustees.
- 3) Conduct interfund shifting in amounts that deviate materially from the Board's ends priorities.
- 4) Fail to settle payroll and debts in a timely manner.
- 5) Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 6) Acquire, encumber, or dispose of real property.
- 7) Fail to appropriately pursue unpaid pledges after a reasonable amount of time.
- 8) Fail to aggressively pursue unpaid non-pledge receivables after a reasonable amount of time.
- 9) Authorize a line of credit without the approval of the Board of Trustees.
- 10) Fail to inform the Board before any decision is made to use unexpected and undesignated income over the amount of \$7500.

### ***Endowment and Memorial Gift Fund Executive Limitations***

- 1) Authority to Spend EMGF Funds. The CEO shall not fail to plan, budget, and spend available EMGF funds to further the purposes of the Church, in accordance with the directives and restrictions that govern the Fund. The Board does not intend that this paragraph create a requirement that all available funds be spent in any given year.
- 2) Requirement to Coordinate with EMGF Committee. The CEO shall not fail to coordinate planning, budgeting, and spending of EMGF funds with the EMGF Committee.
- 3) Types of Spending. The CEO shall not allow spending of EMGF funds for other than the following:
  - a. reasonable bookkeeping, publicity, solicitations, and public recognition of donors to the fund,
  - b. other expenses thought necessary to properly carry out the functions of the EMGF, projects and purposes consistent with the purposes of the EMGF, as set forth in the Church By-Laws, and
  - c. loans to the Church as allowed by the Church By-Laws.

In no case may the CEO spend EMGF funds in violation of the directives and restrictions set forth in the By-Laws or in Board policy, or in any manner not approved by the EMGF Committee.

4) Gift Acceptance.

- a. Delegation to CEO. The CEO shall not fail to evaluate, accept (or decline) gifts, and receive gifts into the EMGF on behalf of the EMGF Committee.
- b. Requirement for Gift Acceptance Policy. The CEO shall not fail to establish, maintain, and communicate an appropriate gift acceptance policy for both unrestricted and restricted gifts.
- c. Said gift acceptance policy must not fail to include provisions for donor-designated purposes and allow for the acceptance of non-endowment gifts (gifts that require the expenditure of the principal of the gift over a specified period of time).
- d. Restriction on Gifts. No gift, bequest or devise of any such property shall be received and accepted if it is conditioned or limited in such manner as to require the disposition of the income, or its principal, to any person or organization other than a charitable or religious organization or for other than charitable or religious purposes within the meaning of such terms as defined in this document, or shall, in the opinion of the EMGF Committee, jeopardize the federal income tax exemption of the First Unitarian Church of Dallas pursuant to the Internal Revenue Code of 1954, as now in force or afterwards amended.

### ***Emergency CEO Succession***

In order to protect the church and Board from sudden loss of CEO services, the CEO must not fail to designate at least one other executive familiar with Board and CEO issues and processes.

### ***Asset Protection***

The CEO shall not fail to establish and implement appropriate plans and procedures for risk management, safety and security. The CEO shall not fail to report to the Executive Committee annually regarding the status of risk management, safety and security.

The CEO shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, he or she may not:

- 1) Fail to establish and implement appropriate plans and procedures for risk management safety and security.
- 2) Fail to report annually to the Executive Committee the status of risk management safety and security.

- 3) Fail to ensure against theft and casualty loss to at least 80% of replacement valued and against liability losses to Board members, staff, and the organization.
- 4) Allow unbonded personnel access to material amounts of funds.
- 5) Subject facilities, premises, and equipment to improper wear and tear or insufficient maintenance.
- 6) Unnecessarily expose the organization, its Board, or staff to claims of liability.
- 7) Make any purchase (1) wherein normally prudent protection has not been given against conflict of interest; (2) of over 1% of the annual budget without having obtained comparative prices and quality; (3) of over 3% without a stringent method of assuring the balance of long-term quality and cost.
- 8) Fail to protect intellectual property, information, and files from loss of significant damage.
- 9) Receive, process, or disperse funds under controls that are insufficient to meet the Board-appointed auditor's standards.
- 10) Invest or hold operating capital in insecure instruments, including uninsured checking account and bonds of less the AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- 11) Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

### ***Compensation and Benefits***

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

Accordingly, he or she may not:

- 1) Change his or her own compensation and benefits.
- 2) Promise or imply permanent or guaranteed employment.
- 3) Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
- 4) Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
  - a. incur unfounded liabilities,
  - b. provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited, or
  - c. allow any employee to lose benefits already accrued from any foregoing plan.

### ***Communications and Support to the Board***

The CEO shall not permit the Board to be uninformed or unsupported in its work.

Accordingly, she or he shall not:

- 1) Neglect to submit monitoring information required by the Board in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored.
- 2) Let the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
- 3) Fail to advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and the CEO.
- 4) Fail to marshal for the Board as many staff and external points of view, issues, and options as needed for fully informed Board choices.
- 5) Fail to provide a mechanism for official Board, officer or committee communications.
- 6) Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board.

### ***Ends Focus of Grants or Contract***

The CEO may not enter into any grant or contract arrangements on behalf of the church that fail to emphasize primarily the production of Ends and, secondarily, the avoidance of unacceptable means.

Accordingly, the CEO shall not:

- 1) Allow grant funds to be used in imprudent, unlawful, or unethical ways.
- 2) Fail to assess and consider a grant applicant's or contractor's capability to produce targeted and efficient results.

# **Governance Process**

## ***Global Governance Commitment***

The Board of Trustees (the “Board”) of the First Unitarian Church of Dallas (the “Church”) will act on behalf of the Church’s membership to promote the accomplishment of the church’s mission and prevent unacceptable activities and conditions with the Church.

## ***Governing Style***

The Board will 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 chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity.

Accordingly:

- 1) The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will 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 will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.
- 2) The Board will direct, control, and inspire the organization 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 will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.
- 3) The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.
- 4) The Board will monitor and discuss the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-CEO Linkage categories.

## ***Board Job Description***

The job of the Board is to represent the First Unitarian Church of Dallas in determining and demanding appropriate organization performance.

Accordingly:

- 1) The Board is the link between the church administration (CEO and staff) and the membership.
- 2) The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.
  - a. Ends: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. Governance Process: Specification of how the Board conceives, carries out, and monitors its own task.
  - d. Board-CEO Linkage: How power is delegated and its proper use monitored; the CEO role, authority, and accountability.
- 3) The Board will assure CEO performance against policies in 2(a) and 2(b).

### ***Agenda Planning***

- 1) Annual Retreat/Establishing Priorities. The Board shall act as a group in establishing the priorities for each Board year. The priorities for each year shall be determined at an annual retreat to be held in January of each year. Prior to the annual retreat, the incoming President shall consult with the out-going President and, if necessary, other Board members regarding outstanding priorities and other business of the Board that should carry over to the next year. The President may also visit with Board members, other elected groups of the Church, the Church's called Ministers, the staff of the Church (through the CEO) and Members of the Congregation as he or she see fit to determine what issues might need to be addressed by the Board in the upcoming year. The President shall direct the planning of the annual retreat, including proposing areas for discussion and consideration by the Board; in planning the retreat, the President shall call upon other members of the Board for assistance.
- 2) Setting the Agenda for Meetings. The agenda for all Board meetings should reflect the priorities established by the Board, along with other business being presented to the Board. As such, the Executive Committee shall meet between Board meetings in order to, in part, identify agenda items. The President then shall, consistent with the Board's agreed upon priorities and agreed upon agenda items, facilitate setting the agenda for each meeting to be held, and shall publish the proposed agenda in advance of each such meeting for Board review and comment.
- 3) Clerk duties. The Clerk shall maintain a record of (a) the priorities determined by the Board at the annual retreat, (b) the agenda for each meeting, and (c) the work of the Board recorded as minutes for each meeting.

### ***Chairperson's Role***

As per the by-laws, the President of the congregation serves as the Chairperson of the Board. The Chairperson assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly:

- 1) The job result of the Chairperson is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the CEO.
  - b. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- 2) The authority of the Chairperson consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Linkage, except where the Board specifically delegates portions of this authority to others. The Chairperson is authorized to use any reasonable interpretation of the provisions in these policies.
  - a. The Chairperson is empowered to chair Board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing).
  - b. The Chairperson has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chairperson has no authority to supervise or direct the CEO.
  - c. The Chairperson may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
  - d. The Chairperson may delegate this authority but remains accountable for its use.

### ***Board Members' Code of Conduct***

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

- 1) Members must represent unconflicted loyalty to the interests of the membership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the church's services.
- 2) Members must avoid 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 church administration (CEO and staff) except procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.

- b. 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.
  - c. Board members must not use their positions to obtain church employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign from the Board.
  - d. Members will annually disclose their involvements with other organizations, with vendors, or any other associations that might produce a conflict.
- 3) Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
- a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
  - (b) Members' interactions with public, press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
  - b. Members will give no consequence or voice to individual judgments of CEO or staff performance.
- 4) Members will respect the confidentiality appropriate to issues of a sensitive nature.

### ***Board Committee Principles***

Board committees, 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 CEO.

Accordingly:

- 1) Board committees are to help the Board do its job, never to help or advise 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 may not speak or act for the Board except when formally given such authority by Board action or controlling documents of the church for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.
- 3) Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.
- 4) Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore a Board committee that has helped the Board create policy on some topic will not be used to monitor organizational performance on that same topic.
- 5) Committees will be used sparingly and ordinarily in an ad hoc capacity.
- 6) This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

### ***Nominating Committee***

The Board shall appoint its allocated member to the nominating committee not later than the end of February. The President shall convene the committee's organizational meeting not later than the end of March. The Board's appointee shall report monthly to the Board on the status and progress of the committee's work.

### ***UUA Delegate Selection***

As per the by-laws, the Board sets procedures on selecting and instructing delegates voting in Unitarian Universalist Association elections or attending Unitarian Universalist Association gatherings as representative of the Church.

Accordingly:

- 1) Any Church Member actively holding or running as a candidate for a Unitarian Universalist Association elected office shall recuse themselves from any and all Board discussions, and voting if applicable, regarding the selection and instruction of delegates.
- 2) Officers and Trustees of the Board shall indicate no later than 60 days in advance of any Unitarian Universalist Association election or gathering their interest in being a delegate, and will be allotted delegate slots if interested. If the number of slots is less than the number indicating interest, slots shall be filled by Board tenure (those with the longest tenure of service shall have priority).
- 3) The Board will solicit remaining delegate nominations from the congregation no later than 45 days in advance of any Unitarian Universalist Association election. The solicitation must be in writing.
- 4) Nominees may be presented by a Lay Group, or any Church Member including self-nomination. Prior consent of those nominated shall be obtained.
- 5) The Board shall select the remaining delegates. Delegates selected will be Church Members in good standing.
- 6) Delegates are required to follow the policies and procedures of the Unitarian Universalist Association as they are applicable to voting.
- 7) The Board will provide delegates with clear written instructions regarding voting position, as required.
- 8) The President of the Board of Trustees will have the sole authority to appoint a delegation Chairperson or lead delegate if applicable.

### ***Strategic Planning***

The Board will actively support the work of the Strategic Planning Committee by informing itself regularly about the Committee's activities and participating in all phases of the process: data gathering, discernment, and development of the mission, vision, objectives, goals, and recommendations. The CEO will inform the Board of the progress of the Committee at periodic

intervals. The Board must receive and approve the Strategic Plan submitted by the CEO before its implemented.

### ***Board Communications***

Communications from Board leadership to Board members and among Board members will be clear and expedient. Care will be taken to ensure that Board members are not excluded or disadvantaged by internal communications policies.

Accordingly,

- 1) Email communications:
  - a. The Board will maintain an appropriate official email list server to facilitate easy distribution of information via email to all Board members.
  - b. Board members will check their personal email not less than every two days for announcements and other Board business.
  - c. If Board business requiring action before Monday arises over a weekend, the Chairperson will contact Board members by email, requesting a response. The Chairperson will be responsible for contacting by phone any Board members who have not responded to the email by the required time.
  - d. The Board will maintain a secondary email list server for informal discussion, to avoid overloading the official list with discussion.
- 2) Document Management [TBD]

The Board shall establish regular periodic external communication with the congregation, and the Board President shall appoint a Communications Director each year who shall be a nonvoting member of the Executive Committee.

### ***Cost of Governance (Not Approved Yet)***

# Endowment and Memorial Gift Fund Management

## *EMGF Committee*

Article XIII of the Church By-Laws requires an EMGF Committee as a standing committee of the Board of Trustees.

- 1) Duties of EMGF Committee. The EMGF Committee shall:
  - a. designate a Board liaison,
  - b. hold regular meetings, at least quarterly,
  - c. keep written records of all meetings,
  - d. report to the Board at least quarterly,
  - e. maintain accurate records of the status of invested funds, and
  - f. coordinate the appropriate spending of available EMGF funds with the CEO, to whom the Board has delegated spending authority.
  
- 2) Powers of EMGF Committee. Subject to such limitations as are imposed in connection herewith, the EMGF Committee shall have the following powers:
  - a. Invest. To hold, manage, invest, sell, reinvest, lease, care for and protect the assets of the Fund and collect for the Fund the income therefrom. In performing these functions the EMGF Committee shall exercise the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs.
  - b. Retain. To acquire and retain every kind of property; real, personal or mixed and every kind of investment specifically including, but not limited to, bonds, debentures and other corporate obligations, preferred or common stocks, government bonds, notes or bills, certificates of deposit, savings accounts, share accounts, mutual funds, the General Investment Fund of the Unitarian Universalist Association and other investments which persons of prudence and intelligence acquire or retain for their own account.
  - c. Sell and Convey. To sell at public or private sale and convey any or all of the Fund assets and any reinvestments thereof from time to time for such price and upon such terms as they think fit.
  - d. Vote Proxies. To vote, either in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose. To exercise or sell any subscription rights, and to avail themselves of any options or benefits under any life insurance policies.
  - e. Settle Claims. To settle, compromise, contest, prosecute or abandon claims in favor or against the Fund as they may deem advisable. For such purposes, the EMGF Committee may execute and deliver all proper and necessary instruments and may give full receipts and discharges.
  - f. Establish Accounts. To establish, for the Fund, one or more bank or broker accounts as in their opinion are necessary or desirable to carry out their functions provided, however, that in establishing such accounts it shall be made a condition

for drawing checks thereon that any check over \$4,000 shall be valid only if signed by any two of the EMGF Committee.

- g. Texas Trust Act. To exercise from time to time all rights, powers, discretion and authorities given Trustees under the terms of the Texas Trust Act as the same now exists and as said act may hereafter be amended.

### *Types of Gifts*

- 1) Unrestricted Gifts. The Board, EMGF Committee, and Church staff will encourage giving and accept gifts to add to the unrestricted fund of the EMGF, as called for in the By-Laws.
- 2) Restricted Gifts. The Board, EMGF Committee, and Church staff will encourage giving and accept restricted gifts, including memorial gifts, subject to the then current gift acceptance policies. Restricted gifts will not be required to be true endowments, in that they may be designated by the donor to be expended in their entirety, principal included, over a specified period of time.
- 3) Requirement of Professional Investment Advice. The EMGF Committee shall engage professional investment advisers to assist in the management of the Fund's assets in a prudent manner.
- 4) Disbursements. The EMGF Committee shall make disbursements from the Fund from time to time in accordance with
  - a. the directives and restrictions in this section,
  - b. any and all directives and restrictions in the Church By-Laws, and
  - c. any and all directives and restrictions resulting from the enactment of Board policy.

These disbursements shall be made in coordination with the CEO, to whom the Board has delegated authority and responsibility for utilizing the spendable proceeds of the Fund.

- 5) Loans. Loans not authorized in the Church By-Laws must be approved by a two-thirds majority vote of those Church members eligible to vote and present at a regular or special meeting of the Congregation, provided that at least twenty (20) days notice has been given to the congregation that such a vote is to be taken. Such loans may only be for capital equipment or capital improvements. The rate of interest on such loans shall be negotiable.

## **Board-CEO Linkage**

### ***Global Board-CEO Linkage***

The Board will link governance and management functions through the Chief Executive Office.

### ***Unity of Control***

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

Accordingly:

- 1) Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO 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 CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive.

### ***Accountability of the CEO***

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.

Accordingly:

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

### ***Delegation to the CEO***

The Board will delegate authority to the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

- 1) The Board will develop policies instructing the CEO to achieve certain results, for certain recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
- 2) The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
- 3) As long as the CEO uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish any further policies, make any decisions, take any actions, establish any practices, and develop any activities.
- 4) The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation to the CEO is in place, the Board will respect and support the CEO's choices.

### ***Monitoring CEO Performance***

The annual administrative review of the Senior Minister will occur prior to the beginning of the Senior Minister's annual planning process. For the review, the Senior Minister will provide to the Board a written report on the Church's accomplishment of the Board-stated Ends and any exceptions that have occurred regarding the Board-stated limitations. The report on accomplishments of the Ends will be a summary of monthly reports provided to the Board during the previous year. If no exceptions to limitations have occurred, the Senior Minister will indicate in writing that the limitations have been reviewed and no exceptions have occurred during the past planning year.

Systematic and rigorous of CEO job performance will be solely against the only expected CEO job outputs: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established on Executive Limitations.

Accordingly:

- 1) Monitoring is simply to determine the degree to which Board policies are being met. No other data will be considered monitoring data.
- 2) The Board will acquire monitoring data by one or more of three methods:
  - a. by internal report, in which the CEO 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 CEO interpretation of the Board policy being monitored.
- 4) All policies that instruct the CEO 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.

*(The schedule is to be completed once Ends and Executive Limitations have been established. The following sample format is suggested.)*

<b>Policy</b>	<b>Method</b>	<b>Frequency</b>
Treatment of consumers	Internal	Annually
Treatment of staff	Internal	Annually
Financial planning and budgeting	Internal	Quarterly
Financial condition and activities	Internal	Quarterly
	External	Annually
Emergency CEO succession	Internal	Annually
Compensation and benefits	Internal	Annually
	External	Biannually
Communication and support	Direct inspection	Annually