

# FIRST UNITARIAN CHURCH OF WILMINGTON BOARD POLICIES

Adopted September 2002 [Revised January 25, 2017]

## Table of Contents

<b>GLOBAL POLICIES</b> .....	<b>2</b>
<b>A. VALUES, MISSION, ENDS</b> .....	<b>2</b>
<b>B. EXECUTIVE LIMITATIONS – GLOBAL EXECUTIVE CONSTRAINT</b> .....	<b>2</b>
<b>C. GOVERNANCE PROCESS – GLOBAL GOVERNANCE COMMITMENT</b> .....	<b>2</b>
<b>D. BOARD-EXECUTIVE TEAM LINKAGE – GLOBAL GOVERNANCE-MANAGEMENT CONNECTION</b> .....	<b>2</b>
<b>A. VALUES, MISSION, ENDS</b> .....	<b>3</b>
<b>B. EXECUTIVE LIMITATIONS</b> .....	<b>4</b>
EL #1: TREATMENT OF MEMBERS, FRIENDS, AND VISITORS .....	4
EL #2: TREATMENT OF STAFF .....	4
EL #3: FINANCIAL PLANNING AND BUDGETING.....	4
EL #4: FINANCIAL CONDITION AND ACTIVITY .....	5
EL #5: EMERGENCY EXECUTIVE TEAM SUCCESSION .....	6
EL #6: ASSET PROTECTION .....	6
EL #7: COMPENSATION AND BENEFITS .....	7
EL #8: COMMUNICATION AND SUPPORT TO THE BOARD .....	8
EL #9: ENDS FOCUS OF GRANTS OR CONTRACTS.....	9
<b>C. GOVERNANCE PROCESS</b> .....	<b>9</b>
GP #1: GOVERNING STYLE .....	9
GP #2: BOARD JOB DESCRIPTION .....	10
GP #3: BOARD PRESIDENT’S ROLE .....	11
GP #4: TRUSTEES’ CODE OF CONDUCT .....	11
GP #5: BOARD COMMITTEE PRINCIPLES .....	12
GP #6: COST OF GOVERNANCE .....	13
GP #7: MONITORING BOARD PERFORMANCE .....	13
GP #8: TREASURER’S ROLE.....	14
GP#9: INVESTMENT POLICY.....	15
<b>D. BOARD- EXECUTIVE TEAM LINKAGE</b> .....	<b>16</b>
BETL #1: UNITY OF CONTROL .....	16
BETL #2: ACCOUNTABILITY OF THE EXECUTIVE TEAM .....	16
BETL #3: DELEGATION TO THE EXECUTIVE TEAM .....	16
BETL #4: MONITORING EXECUTIVE TEAM PERFORMANCE.....	17
BETL #5: MINISTERIAL COMPENSATION.....	18
<b>E. DOCUMENT CHANGE LOG</b> .....	<b>20</b>

## **GLOBAL POLICIES**

### **A. VALUES, MISSION, ENDS**

### **B. EXECUTIVE LIMITATIONS – GLOBAL EXECUTIVE CONSTRAINT**

The Executive Team shall only allow any practice, activity, decision, or organizational circumstance which is either lawful, prudent or in keeping with the Church's Charter, Bylaws, or commonly accepted business and professional ethics.

### **C. GOVERNANCE PROCESS – GLOBAL GOVERNANCE COMMITMENT**

The Board of Trustees (the "Board") of the First Unitarian Church of Wilmington (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 within the Church.

### **D. BOARD-EXECUTIVE TEAM LINKAGE – GLOBAL GOVERNANCE-MANAGEMENT CONNECTION**

The Board's sole official connection to operational organization, its achievement and conduct will be through the Executive Team.

## **A. VALUES, MISSION, ENDS**

### **Our Values:**

At First Unitarian Church of Wilmington, Delaware, we work to embody:  
Love and compassion,  
Growth and discovery,  
Freedom and justice,  
wonder and joy.

### **Our Mission:**

First Unitarian Church of Wilmington, Delaware, is a beloved community that nourishes minds and spirits, fights injustice, and transforms the world through loving action.

### **Our Ends:**

- At First Unitarian Church of Wilmington, Delaware, people of all ages:
- Feel safe, accepted, and loved—and empowered to be our authentic selves.
  - Gain new perspectives and grow as informed, spiritual human beings.
  - Act on our shared values and Unitarian Universalist identity to fight for a more just world.
  - Experience wonder, inspiration, fulfillment, and joy.

## **B. EXECUTIVE LIMITATIONS**

### **GLOBAL EXECUTIVE CONSTRAINT**

*The Executive Team shall only allow any practice, activity, decision, or organizational circumstance which is either lawful, prudent or in keeping with the Church's Charter, Bylaws, or commonly accepted business and professional ethics.*

#### **EL #1: TREATMENT OF MEMBERS, FRIENDS, AND VISITORS**

*With respect to interactions with members, friends and visitors of the church, the Executive Team shall only allow conditions, procedures, or decisions that are safe, respectful, necessary, or that provide appropriate confidentiality and privacy.*

Accordingly, the Executive Team shall:

1. Elicit information from members for which there is a clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing member information that protect against improper access to the material elicited.
3. Maintain facilities that provide a reasonable level of safety, access and functionality.
4. Establish with members a clear understanding of what may be expected and what may not be expected from the service offered.

#### **EL #2: TREATMENT OF STAFF**

*With respect to treatment of staff/volunteers, the Executive Team may only act in a manner consistent with the UU Seven Principles.*

Furthermore, the Executive Team shall:

1. Operate with and comply with written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions, such as grossly preferential treatment for personal reasons.
2. Provide safe and healthy conditions for the staff and volunteers.
3. Post current, established, internal complaint procedures in a prominent place and allow staff/volunteers to use them.
4. Allow staff to grieve to the Board when internal grievance procedures have been exhausted, including grieving to the Executive Team.

#### **EL #3: FINANCIAL PLANNING AND BUDGETING**

*Budgeting for any fiscal year or the remaining part of any fiscal year shall comply with the Board's Ends priorities, not risk fiscal jeopardy, and be derived from a plan of at least three (3) years.*

Accordingly, the Executive Team shall develop a budget that, at a minimum:

1. Contains enough detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

2. In any fiscal year, plans for spending that is equal to or lower than projected available funds.
3. Is based on the pledge income trend, year over year, for the prior three years.
4. Provides expected case, worst case and best-case scenarios, taking into account the membership growth and/or shrinkage trend of the previous three years.
5. Provides for total employee and personnel costs that are below 70% of the annual budget. These costs include: salary (all full-time, part-time and contract employees), housing, health insurance, life insurance, disability insurance, pension, employer FICA/SECA, professional expenses, overtime and custodial fees, and payroll services.
6. Recognizes the importance of funding reserves and work on long term plans to reach ideal funding levels. Building reserve funding will be no less than 3% of total income per year and will increase in each budget year until funding is equal to reserve calculation requirements.
7. Includes funding of Board of Trustees liability insurance and provides at least \$750 in support of GP#6, Cost of Governance.
8. Presents separate annual and multi-year capital expenditure budget plans and the means to pay for them.
9. Contains a plan of action and/or process to sufficiently fund reserves that cover:
  - a. Expected ministerial sabbatical expenses as determined by ministerial agreements;
  - b. Future ministerial search processes;
  - c. Significant loss of rental income;
  - d. Other future liabilities or financial risks as identified by the Board
10. Provides 100% funding of JPD and UUA dues.
11. Provides for shrinkage of pledge income within reasonable historical limits.

#### **EL #4: FINANCIAL CONDITION AND ACTIVITY**

*With respect to the actual, ongoing financial condition and activities, the Executive Team shall ensure fiscal health and that actual expenditures comply with Board priorities established in Ends policies.*

Accordingly, the Executive Team shall:

1. Only expend funds that have been budgeted for in the fiscal year.
2. Only commit to spending that binds financial obligations to the current budget year. Board approval is required for longer-range commitments.
3. Limit any single unbudgeted purchase or commitment to less than \$7500.
4. Obtain two competitive bids where practical for any single expenditure exceeding \$2500.
5. Update Building Reserve calculation at least every 5 years
6. Expend reserve funds only for the purpose determined when the reserve was designated. Use of reserves for any other purpose requires approval by the Board of Trustees.

7. Expend restricted gifts only for the purposes designated when received unless that purpose is no longer practical or feasible. In this event, either:
  - a. The donor(s) will be contacted to discuss other options.
  - b. Legal counsel will be sought to define options.
8. Expend endowment or designated funds only for the purposes determined at time of receipt or designation.
9. Engage lay leadership in on-going efforts to recruit bequests for the Heritage Fund.
10. Settle payroll and debts, and complete government-ordered filings/tax payments, in a timely manner.
11. Aggressively pursue receivables after a reasonable grace period.
12. Acquire, encumber, or dispose of real property only with Board approval.

#### **EL #5: EMERGENCY EXECUTIVE TEAM SUCCESSION**

*In order to protect the church and Board from sudden loss of Executive Team services, each Executive Team member must have another member as a backup who is kept informed about his/her portfolio of responsibilities.*

#### **EL #6: ASSET PROTECTION**

*The Executive Team shall keep the assets protected and adequately maintained.*

Accordingly, they must:

1. Insure against theft and casualty losses as close to replacement value as possible, less reasonable deductible and/or co-insurance limits.
2. Insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Delaware non-profit organizations.
3. Not allow single party access to church funds.
4. Keep facilities and equipment maintained and protected from unnecessary wear and tear.
5. Not unnecessarily expose the organization, its Board or staff to claims of liability or risk the nonprofit status.
6. Receive, process or disburse funds under controls sufficient to meet the Board appointed auditor's standards or other government standards.
7. Invest assets needed to supply cash flow for short-term needs (less than two years) or where the timing of the need for monies is undetermined, in money-market funds and other liquid fixed-income investments. Specifically, they must
  - a. Use government-insured or government-backed accounts for all money funds.
  - b. Keep stocks, cash or tangible property gifted to the church for a specified

- purpose separate from the overall investment portfolio until such time that the church uses the gift.
- c. Sell individual securities that are gifted to the Church and invest the proceeds according to the then current asset allocation of the specific fund.
  8. Assist the investment committee as needed in overseeing the performance of church investments.
  9. Protect intellectual property, information, and files from loss or significant damage.
  10. Maintain the organization's public image or credibility, particularly in ways that support accomplishment of its mission.

#### **EL #7: COMPENSATION AND BENEFITS**

*With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the Executive Team must act to maintain fiscal integrity and public image.*

Accordingly, the Executive Team must:

1. Not change any minister's compensation, benefits, or allocated professional expenses previously established by the Board.
2. Not promise or imply permanent or guaranteed employment.
3. Only recommend compensation and benefits that create obligations over a term for which revenues can be safely projected.
4. Compensate its staff fairly and equitably, taking into account responsibility, experience and performance; specifically, the ET must
  - a. Pay competitive salaries for the market from which we hire
    - i. Annually, establish salary ranges for positions in our church using the UUA guidance as a base.
    - ii. Make adjustments as appropriate based on ability to pay and differences between First Unitarian positions and those associated with the UUA guidelines.
    - iii. Develop appropriate salary range guidelines using other sources, such as Church Law and Tax Report Annual survey or local market data, when First Unitarian positions are different from UUA positions or are not covered by UUA guidelines
    - iv. Compensate individuals within the established salary range for a position taking into account relevant experience and performance
  - b. Provide staff with access to benefits comparable to those offered by other religious and non-profit organizations
    - i. Offer access to healthcare and retirement plans for each eligible employee.
    - ii. Offer access to other benefits that can be purchased from pre- or after- tax income.
  - c. Comply with applicable regulatory and tax requirements
5. Negotiate individual compensation and benefit treatment that complies with the Executive Team's Personnel Procedures.
6. Allow any employee to keep benefits already accrued from any foregoing plan.
7. Treat themselves consistently with other comparable key employees.

## **EL #8: COMMUNICATION AND SUPPORT TO THE BOARD**

*The Executive Team shall keep the Board informed, and supported in its work.*

Accordingly, the Executive Team must:

1. Inform the Board in a timely manner of relevant trends, public policy initiatives, public events of the organization, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
2. Submit the monitoring data required by the Board policy "Monitoring Executive Team Performance" in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies.
3. Advise the Board if, in the Executive Team's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Executive Team Linkage (particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Team) or the Church's By-Laws.
4. Gather as many staff and external points of view, issues, and options as needed for fully informed Board choices.
5. Present information in clear and succinct form.
6. Provide a mechanism for official Board, officer, or committee communications.
7. Deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
8. Report on a monthly basis any actual or anticipated noncompliance with any policy of the Board.
9. Supply for the consent agenda all items delegated to the Executive Team yet required by law, Church By-Laws, or contracts to be Board-approved,
10. Report:
  - a. The Executive Team's plans for achieving the goals and objectives created to achieve the Annual Vision of Ministry as outlined in the strategic plan;
  - b. Results achieved and/or not achieved regarding the Annual Vision of Ministry as specified in the strategic plan;
  - c. Quarterly remediation plans for any annual goals that are not achieved.
11. Only make public statements about the official position of the congregation or Board on controversial social, political, and/or congregational issues that have been formally and explicitly adopted by the Board as positions of record. Nothing in this policy shall be construed to infringe upon the fundamental principle of freedom of the pulpit.



## **EL #9: ENDS FOCUS OF GRANTS OR CONTRACTS**

*Any grant or contract arrangements the Executive Team enters must emphasize achieving the Ends and avoiding unacceptable means.*

Accordingly, the Executive Team shall:

1. Prohibit grant funds from being used in imprudent, unlawful, or unethical ways.
2. Assess and consider an applicant's capacity to produce appropriately targeted, efficient results.

## **C. GOVERNANCE PROCESS**

### **GLOBAL GOVERNANCE COMMITMENT**

*The Board of Trustees (the "Board") of the First Unitarian Church of Wilmington (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 within the Church.*

### **GP #1: GOVERNING STYLE**

*The Board's focus shall be on the long-term mission and well being of the Congregation, not on administrative detail. It shall respect the distinction between Board governance and ministry<sup>1</sup>, future rather than past, and proactivity rather than reactivity.*

In this spirit, the Board will:

- a. Discern the Congregation's mission and ends/vision through two-way communication with members of the congregation.
- b. Establish and maintain communication with members of the congregation on the mission, ends/vision, strategic plan, policies, annual priorities and overall health of the church.
- c. Enforce upon itself the specific discipline needed to govern with excellence. Discipline will apply to policy-making principles, respect for defined roles, and to attendance. After subjects have been discussed and voted upon, both majority and minority will support the action taken and speak with one voice.
- d. Be accountable to the congregation and other stakeholders 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.

---

<sup>1</sup> Definition: Ministry is the work of the Church, and consists of continually choosing means and methods, allocating resources, hiring staff, recruiting volunteers, and giving them leadership and support that will enable them to serve the mission of the Church effectively. Ministry is best accomplished through empowered ministry teams of people who share a sense of calling to particular forms of service. The Minister, as the elected spiritual leader and designated Ministry Team Leader, is responsible for directing the Church's ministry in accordance with Board policies.

- e. Monitor and regularly discuss the Board's own process and performance.
- f. Ensure the continuity of Board processes through a systematic transfer of knowledge to new board members.
- g. No Board member, except the President, will speak on behalf of the Board with the public, press, or other non-church entities.

## **GP #2: BOARD JOB DESCRIPTION**

*The job of the Board is to represent the members of First Unitarian Church of Wilmington in determining and requiring appropriate organizational performance.*

Accordingly, the Board has the responsibility to:

1. Engage in continuous strategic planning practices to discern, develop, and communicate strategic direction and define initiatives to help the Congregation live its mission and achieve its vision.
2. Create and communicate the Church's Annual Vision of Ministry<sup>2</sup>.
3. Be an initiator of policy, not merely a reactor to staff initiatives, and actively solicit Congregational input on policy. Write governing policies which, at the broadest levels, address:
  - a. *Ends*: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - b. *Executive Team Limitations*: Constraints on executive authority that establish the prudent and ethical 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 tasks.
  - d. *Board-Executive Team Linkage*: Delegation of power and monitoring of its proper use; and the Executive Team's role, authority, and accountability.
4. Assure Executive Team performance (as individual members and as a team) against policies 4a and 4b.
5. Assure Board performance against policies 4c and 4d.
6. The Board shall be responsible for an annual performance review of the Senior Minister; while the Senior Minister, together with the Executive Team, shall be responsible for an annual performance review process for church staff.
7. Act as faithful stewards of the resources of the First Unitarian Society of Wilmington, including management of the long-term investments and capital funds as described in GP#9.
8. Review the First Unitarian Society of Wilmington By-Laws and propose revisions as

---

<sup>2</sup> Definition: The Annual Vision of Ministry consists of a listing of priorities, developed through a continuous strategic planning process that provides direction for the Executive Team, staff, and volunteers to move the church towards achievement of its values, mission, and ends. The Annual Vision of Ministry is the Board's short list of priorities to be accomplished in the forthcoming one to three years. It is the short-term product of the Board's strategic planning process. The Ministry Team (Executive Team, staff and volunteers) then translates the Board's Vision of Ministry into goals and objectives for the coming year.

appropriate to the congregation for approval.

9. Appoint and empower Board committees.

### **GP #3: BOARD PRESIDENT'S ROLE**

*The President assures the integrity of the Board's process and represents the Board to outside parties.*

Accordingly,

1. The President's responsibility is to ensure that the Board consistently adheres to its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will only be those issues that, according to Board policy, clearly belong to the Board to decide, not the Executive Team members.
  - b. Deliberation will be timely, fair, orderly, thorough and efficient.
2. The authority of the President consists of making any decision on behalf of the Board that falls within or is consistent with Board policies on Governance Process and on the Board-Executive Team Relationship. The President is authorized to use any reasonable interpretation of the provisions in these policies.
  - a. The President is empowered to chair Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
  - b. Presidential authority does not extend to making decisions within *Ends and Executive Team Limitations* policy areas. Therefore, the President has no authority to supervise or direct the Executive Team.
  - c. The President 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 President may delegate this authority but remains accountable for its use.

### **GP #4: TRUSTEES' CODE OF CONDUCT**

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

Accordingly,

1. The trustees are fiduciaries for the congregation and as such must:
  - a. Always act in the best interest of the congregation as a whole.
  - b. Be faithful to the church's mission and proactively support its major programs. He or she cannot act in a way that is inconsistent with the church's goals.
  - c. Exercise reasonable care in making decisions.
  - d. Never use information gained through his or her position for personal gain.

2. Trustees must avoid conflict of interest.
  - a. There will be no self-dealing or business by a Board member and the organization.
  - b. When the Board is to decide upon an issue, about which a Board 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.
  - c. Trustees may not obtain employment in this organization for themselves, family, or close associates. To apply for employment, a Board member must first resign from the congregation.
  - d. Trustees will annually disclose to the board their involvement with other organizations, with vendors, or any associations, which might produce a conflict.
3. Trustees may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
  - a. Trustee's interaction with the Executive Team or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.
  - b. Trustee's interaction with public, press or other entities must recognize the same limitation and the prohibition of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
  - c. Trustees may advise or serve Executive Team teams at the pleasure of the Executive Team as long as such service does not conflict or appear to conflict with any Board or Executive Team policies or Board oversight responsibilities.
4. Trustees will respect the confidentiality appropriate to issues of a sensitive nature.
5. Trustees will attend Board meetings and be properly prepared for Board deliberation.
6. Trustees will honor and respect the covenant they establish each year, which outlines how they will be together in relationship.

#### **GP #5: BOARD COMMITTEE PRINCIPLES**

*The Board may establish committees to help carry out its responsibilities. Committees will be used sparingly to preserve the Board functioning as a whole and will never interfere with delegation from Board to Executive Team.*

Accordingly,

1. All Board committees will assist the board by preparing governance policy alternatives for board deliberation and assisting with other specific board responsibilities.
2. In keeping with the board's broader focus, board committees will normally not have dealings with church staff operations, nor should they exercise authority over staff.
3. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.
4. Committees will be used sparingly. Clear expectations and authority of board

committees will be outlined when they are convened, and will include a timeline expectation and policy for disbanding (e.g., once recommendations are complete and processed by the Board).

5. 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.
6. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members.
7. The Board shall establish Committees as follows:
  - a. A standing Governance Committee that is responsible for enabling the Board to continually strive for and achieve greater clarity, efficiency, and productivity in its work and policies. Its duties include maintaining accurate job descriptions for the Board, leading an annual training session for all trustees, facilitating an annual review of the Board covenant, organizing the Board's annual evaluation of itself, and other appropriate process monitoring and improvement initiatives.
  - b. A standing Investment Committee as outlined in GP #9.
  - c. A standing Strategic Planning Committee that is responsible for continuously updating and monitoring the Congregation's strategic plan<sup>3</sup>. The strategic plan will guide actions of all Church leadership.

#### **GP #6: COST OF GOVERNANCE**

*The Board will invest in its governance capacity.*

Accordingly, Board skills, methods, and supports will be sufficient to assure governing with excellence.

- a. Training and retraining will be used liberally to orient new board members, as well as to maintain and increase existing Board members' skills and understandings.
  - b. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
  - c. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to congregants' viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability for:
    - a. Training, including attendance at conferences and workshops.
    - b. Audit and other third-party monitoring of organizational performance.
    - c. Surveys, focus groups, opinion analyses, and meeting costs.

#### **GP #7: MONITORING BOARD PERFORMANCE**

---

<sup>3</sup> Definition of Strategic Plan: the strategic plan contains the Church's longest-range plans. It answers the question, "What major choices have we made about how we will fulfill our mission?"

The Board will monitor its own performance systemically, relative to its Governance Process (GPs) and Board-Executive Linkage policies (BETLs), by reviewing each of them annually (see following table).

Policy #	Policy Name
GP#1	Governing Style
GP#2	Board Job Description
GP#3	Board President's Role
GP#4	Trustees' Code of Conduct
GP#5	Board Committee Principles
GP#6	Cost of Governance
GP#7	Monitoring Board Performance
GP#8	Treasurer's Role
GP#9	Investment Policy
BETL#1	Unity of Control
BETL#2	Accountability of the Executive Team
BETL#3	Delegation to the Executive Team
BETL#4	Monitoring Executive Team Performance
BETL#5	Ministerial Compensation

#### **GP #8: TREASURER'S ROLE**

*The role of the Treasurer is to advise the Board on the status of all church funds and to prepare the church financial statements.*

*Accordingly:*

1. The Treasurer shall:
  - (a) Report financial actual results versus budget to the Board and Executive Team monthly.
  - (b) Advise the Board monthly on current and forecasted financials including risk
  - (c) Provide candid assessments independent of the Executive Team.
2. The Treasurer will serve as an ex officio member of the Investment Committee of the Board, which will report to the Board quarterly on the status of the church's long-term investments and capital funds.
3. The Treasurer will advise the congregation at the Annual Meeting on the current and forecasted financial health based on the proposed Annual Budget proposal.
4. The Treasurer will audit the accuracy of the financial data maintained by the Executive Team.
5. The Treasurer will arrange for periodic audits by internal and external auditors and review their results.
6. The Treasurer will advise the Board on financial policies. As deemed necessary by the Board, the Treasurer will serve on ad hoc Board Committees to review and recommend changes to policies.
7. The Treasurer may offer his or her perspectives on church finances to the Executive

Team in a non-binding manner.

## **GP#9: INVESTMENT POLICY**

*First Unitarian Church is a religious association incorporated in the State of Delaware. In the course of its activities, the Church receives gifts, trusts, and endowments that require investment management. These funds, managed on behalf of the church, are an important source of income and future capital for the church. Successful management of these funds is vital to the current and future success of the Church.*

### 1. Responsibility and Authority

- a. The Board of Trustees has overall accountability/responsibility for long-term investment policy.
- b. The Board may appoint an Investment Committee (IC) to advise the Board on investment policy. The chair of this committee must be a current board member. The IC shall consist of three to five members of the congregation who must all be current church members. The treasurer of the Church is an ex officio member of the IC.

### 2. Investment Committee

- a. The IC advises the Board on investment policy; and reports twice per year on investment performance vs. established measures. The chair of the IC is responsible for communicating and interpreting reports and recommendations to the board.
- b. The IC shall take and retain minutes of their meetings, noting attendance and decisions. The minutes will be shared with all IC members and with the Board President.
- c. Investment Committee Members shall disclose to the Board any conflict of interest-actual, potential or perceived-that arises in the performance of their duties.
- d. A policy written for each investment fund (Heritage Fund, Capital Campaign Building Fund, etc.) shall include:
  - i. Target asset allocation
  - ii. Target return objective
  - iii. Recommended spending rate (if applicable)
  - iv. Recommendation(s) for professional management
  - v. Procedure for evaluating performance of professional manager
  - vi. Cost of management
- e. The IC should consider socially responsible investing practices, such as those used by the UU Common Endowment Fund as part of investment policy decisions.

## **D. BOARD- EXECUTIVE TEAM LINKAGE**

### **GLOBAL GOVERNANCE – MANAGEMENT CONNECTION**

*The Board's sole official connection to operational organization, its achievement and conduct will be through the Executive Team.*

#### **BETL #1: UNITY OF CONTROL**

*Only officially passed motions of the Board are binding on the Executive Team.*

Accordingly:

- a. Decisions or instructions of individual Board members, officers, or committees are not binding on the Executive Team except in rare instances when the Board has specifically authorized such exercise of authority.
- b. The Executive Team may refuse requests for information or assistance from committees or members that are without Board authorization if, in the Executive Team's opinion, a significant amount of staff time or funds is required or if fulfilling the request is disruptive.

#### **BETL #2: ACCOUNTABILITY OF THE EXECUTIVE TEAM**

*The Executive Team is the Board's only link to operational achievement and conduct, so that all authority and accountability of volunteer and paid staff (including consultants), is considered the authority and the accountability of the Executive Team.*

Accordingly:

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

#### **BETL #3: DELEGATION TO THE EXECUTIVE TEAM**

*The Board's job is generally confined to establishing top-level policies, leaving implementation and subsidiary policy development to the Executive Team. Accordingly, the Board will instruct the Executive Team through written policies that prescribe the organizational Ends to be achieved and proscribe Means to be avoided, allowing the Executive Team to use any reasonable interpretation of these policies.*

Accordingly:

1. The Board will develop policies instructing the Executive Team to achieve certain results, for certain recipients, within a specified budget. 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 Executive Team 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 Executive Team uses any reasonable interpretation of the Board's *Ends* and *Executive Limitations* policies, the Executive Team is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Should the Executive Team deem it necessary to violate Policy, it shall inform in advance the Board President or another Board member if the President is not available. Informing is simply to guarantee no violation is intentionally kept from the Board, not to request approval. Response from the Board President or individual Board members, either approving or disapproving, does not exempt the Executive Team from subsequent Board judgment of the action, nor does it impede any Executive Team decision.
  4. The Board may change the *Ends* and *Executive Limitations* policies, thereby shifting the boundary between Board and Executive Team domains. By doing so, the Board changes the latitude of choice given to the Executive Team. But as long as any particular delegation is in place, the Board will respect and support the Executive Team's choices.

**BETL #4: MONITORING EXECUTIVE TEAM PERFORMANCE**

*Systematic and rigorous monitoring of the Executive Team job performance will be solely against the defined annual performance objectives: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.*

Accordingly:

1. Monitoring is simply to determine the degree to which performance objectives and Board policies are being met. Data that do not do this will not be considered to be monitoring data.
2. The Board will acquire monitoring data by one or more of three methods:
  - a. By internal report, in which the Executive Team 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
  - 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 Executive Team interpretation of the Board policy being monitored.
4. 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.
5. The Board will summarize and review monitoring results annually to evaluate Executive Team performance. A review of the terms of the Senior Minister's contract shall be completed annually.

Policy	Policy Name	Method	Frequency
EL#1	Treatment of Members, Friends and Visitors	Internal Report	Annually
EL#2	Treatment of Staff	Internal Report	Annually
EL#3	Financial Planning and Budgeting	Internal Report	Twice Yearly
EL#4	Financial Condition and Activity	Internal Report Direct Inspection (Treasurer) External Report	Twice Yearly Monthly Every 3 - 5 years
EL#5	Emergency Executive Team Succession	Internal Report	Annually
EL#6	Asset Protection	Internal Report	Annually
EL#7	Compensation and Benefits	Internal Report	Annually
EL#8	Communication and Support to the Board	Internal Report Direct Inspection	Annually
EL#9	Ends Focus of Grants or Contracts	Internal Report	Annually
Ends #1-4	Ends	Internal Report	Annually

#### **BETL #5: MINISTERIAL COMPENSATION**

*The Board is responsible for establishing the compensation of the called ministers of the First Unitarian Church of Wilmington, Delaware. This includes approving the initial compensation package in the ministerial agreement, reviewing the status of compensation on a regular basis, and adjusting compensation.*

*Accordingly,*

1. Ministerial compensation consists of salary, housing, and other benefits. Professional expenses are not part of compensation but as a cost of doing business are included in the total cost of ministry.
2. The Board establishes salary and housing ranges annually in March using the UUA guidance as a base. The intent is to compensate ministers within a pre-established salary and housing range, taking into account relevant experience and performance. The salary and housing ranges include an adjustment for cost of living.
3. The Board establishes benefits using UUA guidance for ministerial compensation.
4. Any proposed changes will commence with the following fiscal year start and depend on financial conditions and final performance evaluation at church fiscal year end. Changes for ordained ministers are in two separate categories:
  - a. An adjustment for cost of living will be made based on the adjustment included in the salary and housing ranges, depending

upon current financial conditions

- b. A merit increase is appropriate every two to three years, depending upon current financial conditions and performance.

The board will

1. Compile the results of a called minister's performance evaluation for the time period since the last merit increase and use these along with the salary and housing ranges to assist in determining such merit increase. Evaluation is based on monitoring results, congregational input, ministerial agreements and Sr. Minister input for all other called ministers in two areas:
    - i. Accomplishment of organizational ends as stated in board policies.
    - ii. Organization operation within the boundaries of prudence and ethics established in board policies on executive team limitations.
  2. Determine a merit increase in compensation for increased skill and growth based on the evaluation results depending upon current financial conditions.
  3. Proposed changes in called Minister salaries will be included as a raise pool in the final budget presented to the congregation for vote at the Annual Meeting, and distributed at the beginning of the church fiscal year based on final confirmation of performance evaluations and financial conditions.
5. Salary and benefit changes will be maintained in the minister's personnel file, accessible by the Board.
6. The board will review ordained ministerial agreements at least every three to five years.

## E. DOCUMENT CHANGE LOG

Change Number	Policy	Description	Effective Date of Change (Date Approved if different)
2017-12	EL 3.9d – added language	1. Provides flexibility for future needs (was 3.8; became 3.9 with the addition of new 3.6)	1/23/2017
2017-11	EL 7.4.b.ii – clerical change	2. Add hyphens	1/23/2017
2017-10	EL 6.8 – updated language	3. The Investment Committee now has the responsibility for monitoring performance and reporting to the Board.	1/23/2017
2017-09	EL 6.4 – updated language	4. Replace plant with facilities; this better describes our situation. Remove “sufficiently” as redundant.	1/23/2017
2017-08	EL 5 – updated language	5. Clarifies language, using terms used by Executive Team	1/23/2017
2017-07	EL 4.9 – updated language	6. Changed to positive language; provides a way to address unexpected needs.	1/23/2017
2017-06	New EL 4.7	7. Updates the restricted gifts policy to compliment the spending policy in the Heritage and CCBF fund policies; extends it to cover all funds and ties us to Delaware law.	1/23/2017
2017-05	New EL 4.6	8. Closes a loophole with respect to use of reserve funds	1/23/2017
2017-04	New EL 4.5	9. Insures that we keep the building reserve calculation evergreen. The calculation was originally done by the Strategic Planning Committee	1/23/2017
2017-03	EL 4.3, 4.4 – updated language	10. Changed to positive language	1/23/2017
2017-02	New EL 3.6; delete 3.8a	11. New policy to insure that we preserve our facility; 3.8a (now 3.9) redundant with new 3.6	1/23/2017
2017-01	El 3.2 – updated language	12. Eliminate prepositions and the passive, “conservatively projected” is vague and not needed in view of other EL 3 limitations; uses fewer words	1/23/2017
2016-03	GP 9—Updated language from Board and Investment Committee. BETL #2, #4, #5	13. Reorganized sections from prior GP9 for ease of grouping Board versus Investment Committee responsibilities, duties and structure. Also, added specific IC record keeping meeting minutes. 14. All BETL changes were grammatical and/or corrected typos	11/21/2016
2016-02	GPs- 1-8: Added suggestions from prior years monitoring reports	15. GP1 and GP2 – updated wording from Becky Laster 9/11/16 to make clearer separation that GP1 is focused on HOW the Board does its work and GP2 is focused on WHAT the Board does.	08/17/16 08/17/16

<b>Change Number</b>	<b>Policy</b>	<b>Description</b>	<b>Effective Date of Change (Date Approved if different)</b>
	and made minor word changes.	16. GP3 reviewed 11/2015 by Marilyn Hyte. No revisions suggested. 17. GP4 reviewed 3/2016 by Jacqueline Kairis. Suggested adding “attend Board meetings.” Added a clearer definition if the four aspects of the fiduciary responsibilities of the Board as suggested by Bill Hardam. 18. GP5 reviewed 1/2016 by Doyle Dobbins. Did not adopt the changes that he suggested for a committee on ministry. Did update the wording on the charter of the Strategic Planning Committee to match current practices. Annual Vision of Ministry is the responsibility of the Board.	08/17/16 08/17/16
2016-01	Entire Document	Changed negative wording to positive wording	08/09/16
2016-01	EL #8 subsection 8; BETL #4	Changed 8.8 to reflect —monthly basis  as frequency of non-compliance reporting instead of in a —timely manner ; changed the timeline of BETL #4 reporting chart after joint meeting with board members and ET to reflect decreased frequency of certain reports.	8/17/15
2014-03	EL #4	Added language to ensure that the Executive Team works toward recruiting a Heritage Fund leader	8/15/14
2014—02	GP #1 Governing Style, GP #2 Board Job Description, and GP #5 Board Committee Principles; EL #8 Communication and Support to the Board	Changed language of governing style, elements of job description, and created standing committees to reflect newly adopted policy revolving around the Strategic Plan and a new Governance Committee, provides executive team reporting process for strategic plan implementation	7/21/14
2014-01	GP#2 <sup>4</sup>	Inserts language defining board responsibility for annual performance review of senior minister and providing for Senior Minister/Executive Team responsibility for annual performance review of all other church staff	1/20/14
2013-08	EL #3	Eliminates double negative language of EL# 3 by stating —the Executive Team shall develop a budget that, at a minimum... ; Deleted sections describing specific percentage variances in budget and pledge income in favor of simplified language requiring budgets that are based on trends over previous three years	11/18/14
2013-07	GP#2, GP#8, GP#9, EL	Changes to Investment Policy: Delineating board duties in managing long-term and capital	7/15/13

<b>Change Number</b>	<b>Policy</b>	<b>Description</b>	<b>Effective Date of Change (Date Approved if different)</b>
	#6.7 and EL 6.8	funds; creating investment fund policy; allowing for appointment of and describing Investment Fund Committee; providing for Treasurer to be ex-officio member of Investment Fund Committee	
2013-06	EL #3: Financial Planning and Budget	Changed EL #3.11 regarding JPD and UUA annual dues	3/18/13
2013-05	EL #3: Financial Planning and Budget	Changed EL #3.8 regarding cost of governance	3/18/13
2013-04	EL #3: Financial Planning and Budget	Changed EL #3.6 regarding personnel costs	3/18/13
2013-03	EL #2: Treatment of Staff	Added EL #2.5 regarding grievance procedures	3/18/13
2013-02	GP #2: Board President's Role	Changed wording in GP #3.1. b	10/15/12
2013-01	GP #2: Board Job Description	Changed wording in preamble.	9/17/12
2012-07	Values, Mission, Ends	Completely rewritten.	8/20/12
2012-06	GP #2: Board Job Description	Changed one phrase of preamble.	8/20/12
2012-05	GP #8: Treasurer's Role	New policy added	5/21/12
2012-04	GP #7: Monitoring Board Performance	Changed Frequency to Annually	2/21/12
2012-03	BETL #4: Monitoring Executive Team Performance	New sentence in BETL 4.5: Sr. Minister's contract review annually	2/21/12
2012-02	EL #6: Asset Protection	Deletion of 6.7.a, b & c; re-lettering 6.7.d, e, f & g.	2/20/12
2012-01	EL #3: Financial Planning & Budgeting	Deletion of 3.6	2/20/12
2010-02	GP #4: Trustees' Code of Conduct	Deletion of 3.c; 3.d becomes 3.c; addition of 6.	5/17/10

<b>Change Number</b>	<b>Policy</b>	<b>Description</b>	<b>Effective Date of Change (Date Approved if different)</b>
2010-01	BETL #5: Ministerial Compensation	New policy added	3/15/10
2009-13	BETL #4: Monitoring Executive Team Performance	Addition of BETL 4.5, revised policy monitoring schedule/table	12/21/09
2009-12	GP #5: Board Committee Principles	Addition of GP 5.1 – 5.6.	11/16/09
2009-11	BETL#1: Unity of Control	Minor rewording of BETL 1.2.	10/19/09
2009-10	Document Change Log	Revised format to simplify	8/31/09
2009-09	EL #5: Emergency Executive Team Succession	Minor policy revision	8/31/09
2009-08	EL #6: Cost of Governance	Minor policy revision in EL 6.1. A	8/31/09
2009-07	EL #7: Compensation and Benefits	Revised overall policy to incorporate separate Compensation Policy into Executive Limitations	8/31/09
2009-06	EL #8: Communication and Support to the Board	Minor policy change in EL 8.9	8/31/09
2009-05	GP #2: Board Job Description	Minor policy revision to add Board monitoring of its own performance and clarify representation in major policy language.	8/31/09
2009-04	GP #3: Board President's Role	Minor policy revision	8/31/09
2009-03	EL #4: Financial Condition and Activity	Minor policy revision	8/17/2009
2009-02	EL #3: Financial Planning and Budgeting	Revised overall policy to include specific budgeting assumptions	8/17/09
2009-01	EL #6: Asset Protection	Revised overall policy to incorporate separate Investment Policy into Executive Limitations	8/17/09

<b>Change Number</b>	<b>Policy Number</b>	<b>Item</b>	<b>Obsolete</b>	<b>Revised</b>	<b>Effective Date</b>	<b>Date Change Approved</b>
2008-24	EL #2	4	Prevent staff from grieving to the Board when ...	Prevent staff from grieving to the Executive Team when ...	7/21/08	8/18/08
2008-23	GP#1	GP #1	PG#1	GP#1	7/21/2008	7/21/2008
2008-22	BETL#4	Table – Board Performance	Internal	Changed method of review to Direct Inspection for Board Performance; added semi-annually to the table frequency column	7/21/2008	7/21/2008
2008-21	BETL#4	Table – Executive Limitations	Internal	Changed method of review to Executive Report for Executive Limitations and Ends	7/21/2008	7/21/2008
2008-20	Global Policies: Mission and Priorities	Mission	NEW	Added Mission Covenant Statement	7/21/2008	7/21/2008
2008-19	Document Change Log	Table	NEW	Added document change log and removed references to dates updated from the body of the document	7/21/2008	7/21/2008
2008-18	Footer	Dates	Reformatted footer	Added Adopted Date and Last Changed Date to footer	7/21/2008	7/21/2008
2008-17	Board Policies	List	Reformatted Board Policies List	Added Ends; corrected list to match numbering and titling of document; added Document Change Log to list.	7/21/2008	7/21/2008
2008-16	BETL#4	Table	Reformatted table	Updated schedule table: Added Policy number column; made Policy name column consistent with actual policy names; reordered to be in ascending order by Policy Number	7/21/2008	7/21/2008
2008-15	BETL#5	Table	NEW	Added GP4 Trustees' Code of Conduct to schedule table	6/1/2008	5/19/2008
2008-14	GP#4	3d	NEW	Trustees may advise or serve Executive Team committees at the pleasure of the Executive	6/1/2008	5/19/2008
2008-13	EL#3	1	NEW	Exceeds the scope of its planning assumptions as discussed with and approved by the Board.	3/1/2008	2/18/2008



<b>Change Number</b>	<b>Policy Number</b>	<b>Item</b>	<b>Obsolete</b>	<b>Revised</b>	<b>Effective Date</b>	<b>Date Change Approved</b>
2008-12	EL#3	3	NEW	Provide for total salary and benefit costs exceeding 70% of budgeted total annual	3/1/2008	2/18/2008
2008-11	EL#3	1 – 4	Renumbered previous 1 – 4	New numbers are 2, 4, 5, 6	3/1/2008	2/18/2008
2008-10	EL#4	2	NEW	Commit to spending that binds financial obligations beyond current budget year	3/1/2008	2/18/2008
2008-09	EL#4	3 – 7	Renumbered previous 2 – 6	New numbers are 3 – 7	3/1/2008	2/18/2008
2008-08	EL #6	8	NEW	Fail to have a Board approved investment policy for non-operating capital.	3/1/2008	2/18/2008
2008-07	EL#6	9	NEW	Invest non-operating capital other than in accordance with the approved investment	3/1/2008	2/18/2008
2008-06	EL#6	10, 11, 12	Renumbered previous 8, 9, 10	New numbers are 10, 11, 12	3/1/2008	2/18/2008
2008-05	EL#7	4	NEW	Fail to have an approved compensation and benefits policy covering all staff members.	3/1/2008	2/18/2008
2008-04	EL#7	5	NEW	Implement compensation and benefit policy changes without Board approval	3/1/2008	2/18/2008
2008-03	EL#7	6	NEW	Negotiate individual compensation and benefit treatment that differs from approved Personnel	3/1/2008	2/18/2008
2008-02	EL#7	7	NEW	Fail to seek annual Board approval of compensation and benefit allowances as set	3/1/2008	2/18/2008
2008-01	EL#7	8, 9, 10	Renumbered from 4, 5, 6	New numbers are 8, 9, 10	3/1/2008	2/18/2008

Change Number	Policy Number	Item	Obsolete	Revised	Effective Date	Date Change Approved
2007-06	END #1	all	<p>First Unitarian attracts and sustains a diverse group of members engaged in a search for spiritual truth, meaning, and interconnectedness.</p> <p>a. First Unitarian's Religious Education Program for all ages is safe, creative, and innovative, with participation by 70% of all congregational households.</p> <p>b. Adult members feel more grounded in their faith and personal ethics.</p> <p>c. Children and youth are knowledgeable about our liberal faith and other faith traditions, respectful of diverse individuals, and empowered to make decisions about their own lives.</p> <p>d.</p>	A vibrant community of religious learning for people of diverse spiritual paths who participate actively together in lifelong Unitarian Universalist studies, opening our minds and awakening us to engage in meaningful and compassionate action in our lives.	1/1/2008	12/17/2007
2007-05	END #2	all	<p>The worship experience at First Unitarian is stimulating and inspiring, reflecting a variety of beliefs.</p> <p>a. Commitment to the First Unitarian community is evidenced by high attendance on Sunday mornings.</p> <p>b. A modern, flexible sanctuary with inspirational architecture and excellent acoustics provides the</p>	A community of spiritual seekers, where members and guests of all ages respect diverse individual spiritual journeys and experience meaningful spiritual enrichment through varied forms of worship together in a safe, inspiring environment.	1/1/2008	12/17/2007

Change Number	Policy Number	Item	Obsolete	Revised	Effective Date	Date Change Approved
2007-04	END #3	all	All feel welcomed and cared for at First Unitarian – no matter what race, class, creed or whom they love. a. Members experience nurturing pastoral care in times of need. b. First Unitarian’s rituals include celebrations for all congregants.	A welcoming and caring community, where all are lovingly included, celebrated and nurtured no matter what their race, class, creed or whom they love.	1/1/2008	12/17/2007
2007-03	END #4	all	First Unitarian is a beacon in the wider community for projecting our Unitarian Universalist (UU) principles and values. a. First Unitarian is a leading community forum for liberal religious thought. b. First Unitarian is a part of a network of community and religious leaders that explores and engages in social justice and <del>civil liberties issues</del> .	A community of people with a passion for social justice and the environment, sharing Unitarian Universalist values with the broader community and engaging together for a just, loving and sustainable world.	1/1/2008	12/17/2007
2007-02	END #5	all	First Unitarian is financially sound and is a responsive and prudent steward of our financial and human resources. a. First Unitarian has a culture of giving in abundance. b. Staff and members are better leaders because of training and development initiatives.	A community dedicated to the growth of Unitarian Universalism, within and beyond our walls, enabling our Unitarian Universalist message to have transformative impact in the world for generations to come.	1/1/2008	12/17/2007

<b>Change Number</b>	<b>Policy Number</b>	<b>Item</b>	<b>Obsolete</b>	<b>Revised</b>	<b>Effective Date</b>	<b>Date Change Approved</b>
2007-01	END #6	all	<p>First Unitarian members feel pride in being a part of the Unitarian Universalist Association (UUA) and our church's leadership role within it.</p> <p>a. The Congregation is more aware of First Unitarian's connection and interdependence with the UUA.</p> <p>b. UU congregations in the region feel First Unitarian has helped them to flourish.</p>	Deleted	1/1/2008	12/17/2007