

EMERSON UNITARIAN UNIVERSALIST CHURCH GOVERNANCE DOCUMENTS

Emerson Unitarian Universalist Church has adopted policy-style governance. In this style of governance, the Board of Trustees is responsible for setting goals and overseeing the management of the church. An executive branch, which is required to operate within certain guidelines or limitations, is responsible for determining the means for achieving the goals set by the Board and for managing church operations. A benefit of this style of governance is its focus on the church's mission, which is referred to as "ends."

These Governance Documents are the policies of Emerson Unitarian Universalist Church's Board of Trustees and are maintained by the Board of Trustees. They describe the relationship between the Board of Trustees and the Executive, and list the Executive Limitations. They also describe the governance process and list the church's ends statements. Finally, they provide a schedule for the Executive to follow when reporting to the Board.

Be it known that for the implementation of this document, "EUUC" (Emerson Unitarian Universalist Church) and "the Church" shall be used to designate the legal entity "Emerson Unitarian Fellowship".

Table of Contents

I. BOARD-EXECUTIVE RELATIONSHIP	3
A. The Executive	3
B. Unity of control	3
C. Accountability of the Executive	3
D. Delegation to the Executive	3
E. Monitoring Executive performance	4
II. EXECUTIVE LIMITATIONS	4
A. Executive teamwork	5
B. Treatment of congregants	5
C. Treatment of staff	5
D. Compensation and benefits	5
E. Financial planning	6
F. Financial activities	6
G. Applying for grants from outside funding agencies	7
H. Execution of contracts	7
I. Acceptance of restricted gifts	7
J. Asset management	7
K. Communication and support to the board:	8
III. GOVERNANCE PROCESS	9
A. Governing style	9
B. Board job description	9
C. Planning process	10
D. President's role	10
E. Board members' code of conduct	11
F. Board committee principles	11
G. Board and Executive complaint and inquiry process	12
IV. ENDS STATEMENTS	12
V. EXECUTIVE MONITORING REPORT SCHEDULE	12

I. BOARD-EXECUTIVE RELATIONSHIP

The Board will hold the Executive accountable for the operational organization, its achievements and conduct.

A. The Executive

The Executive shall consist of an executive team comprised of the Minister and at least 2 members of the congregation, other than Board Members or Committee Chairs. It shall be a two-year term appointment for lay members with an option for a second term. Lay members of the executive team are to be appointed by the Board in collaboration with the Minister.

B. Unity of control

Only decisions of the Board acting as a body are binding upon the Executive.

1. Decisions or instructions of individual Board Members, Officers or Committees are not binding on the Executive except in rare circumstances when the Board has specifically authorized such exercise of authority.
2. In the case of Board Members or Committees requesting information or assistance, the Executive can refuse such requests that require, in the Executive's judgment, a material amount of staff time or funds or are disruptive.

C. Accountability of the Executive

The Executive is the Board's only link to operational achievement and conduct. Accordingly, all authority and accountability of volunteer and paid non-ministerial staff (including non-employee consultants) is considered by the Board to be under the authority and accountability of the Executive.

1. The Board will never give instructions to persons who report directly or indirectly to the Executive.
2. The Board will refrain from evaluating, either formally or informally, any staff other than the Executive and the Minister.
3. The Executive is accountable to the Board for (1) ensuring that Ends policies are achieved, (2) not violating Executive Limitations policies.

D. Delegation to the Executive

The Board's operational duties are generally confined to establishing top-level policies, leaving implementation and subsidiary policy development to the Executive. As long as the Executive uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the Executive is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.

1. The Board will develop policies instructing the Executive 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.
2. The Board will develop policies that limit the latitude the Executive 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.

3. Should the Executive 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 may be 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 from subsequent Board judgment of the action, nor does it impede any Executive decision.
 - a. Nothing in this policy, however, requires the Executive to report Policy violations that arise in the course of the church's Minister performing pastoral duties.
4. The Board may change the Ends and Executive Limitations policies, thereby shifting the boundary between Board and Executive domains. By doing so, the Board changes the latitude of choice given to the Executive. But as long as any particular delegation or assignment is in place, the Board will respect and support the Executive's choices.

E. Monitoring Executive performance

Systematic and rigorous monitoring of Executive job performance will be solely in light of the expected Executive job outputs: organizational accomplishment of Policies on Ends and organizational operation within the boundaries established in Policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which 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 discloses compliance information to the Board.
 - b. By external report, in which an external, disinterested third party selected by the Board assesses compliance with the Policies.
 - c. By direct Board inspection, in which a designated Board member or members, or the Board as a whole, assess compliance with the appropriate policy.
3. In every case, the standard for compliance shall be any reasonable Executive interpretation of the Policy being monitored.
4. All policies that instruct the Executive 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 Executive may come back to the Board if a policy appears to be undoable, or if more resources are necessary.
6. Each policy shall contain criteria for monitoring.

II. EXECUTIVE LIMITATIONS

The Executive (as defined in Policy IV.A) shall not cause or allow any practice, activity, decision, or organizational circumstance that is in violation of our Unitarian Universalist principles, in violation of the Bylaws of the Church, in violation of the Church's Statement of Ministry, in violation of commonly accepted business and professional ethics, imprudent, or in violation of any laws. In case of conflict among the above limitations, the Executive shall not fail to consult with the Board.

A. Executive teamwork

The Executive shall not fail to speak as one voice to all parties to whom the Executive is responsible or over whom it has authority. Accordingly, executive team members shall not:

1. Fail to include and consult with each other on all material issues.
2. Fail to use the consensus model in reaching decisions.
3. Fail to honor and support each other's views and positions.
4. Fail to have a procedure for making time-sensitive decisions when one or more members are unavailable.
5. Fail to have a Succession Policy that defines who is in authority in the event that no members of the Executive are available.

B. Treatment of congregants

With respect to interactions with congregants, the Executive shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, that fail to provide appropriate confidentiality or privacy, or that fail to apply the standards of the Church's Statement of Ministry and Unitarian Universalist principles. Observation of the principles outlined in item A. above shall not discourage the Executive from prompt and open-minded responses to the concerns of congregants.

C. Treatment of staff

With respect to the treatment of paid and volunteer staff, the Executive may not cause or allow conditions that are unfair or undignified or that fail to apply the standards of the Church's Statement of Ministry and Unitarian Universalist principles. Accordingly, the Executive members shall not:

1. Unlawfully discriminate against existing or potential staff.
2. Subject staff to unsafe or unhealthy conditions.
3. Fail to establish a grievance procedure and notify staff of such procedure.
4. Fail to apply the standards of the Church's Statement of Ministry to their interactions with staff.
5. Operate without written personnel policies that clarify personnel rules for paid staff and provide for effective handling of grievances.
6. Fail to inform paid and volunteer staff of proposed changes that could significantly affect the program area(s) they operate.

D. Compensation and benefits

With respect to compensation, employment, and benefits, the Executive shall not cause or allow jeopardy to the fiscal or ethical integrity of the Church. Accordingly, the Executive shall not:

1. Increase individual Executive members' compensation, benefits, or allocated professional expenses as established by the Board.
2. Promise or imply guaranteed employment.
3. Establish current compensation and benefits which:
 - a. Provide less than a living wage and some basic level of benefits to all full-time employees (though differential benefits to encourage longevity in key employees is not prohibited).

- b. Create obligations over a term longer than revenues can be safely projected. In any event, compensation and benefits are always subject to adjustment based on budget shortfall.
 - c. Exceed the Church's ability to pay given current budget constraints.
- 4. Establish deferred or long-term compensation and benefits which:
 - a. Cause unfunded liabilities to occur or in any way commit the Church to benefits that incur unpredictable future costs.
 - b. Treat executive team members more preferentially than other comparable key employees.
- 5. Fail to operate without clear written communication for all paid staff, especially noting at-will status if that is the case.
- 6. Fail to provide the Board with a comparison of current compensation with the Unitarian Universalist Association's fair compensation guidelines.

E. Financial planning

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Bylaws of the Church and the Statement of Ministry of the Church or risk financial jeopardy. The Board reaffirms the Congregation's ultimate authority to approve the annual budget of the Church, as recommended to them by the Board, following procedures described in the Bylaws.

Accordingly,

1. To facilitate the Board's potential recommendation of a budget for consideration by the Congregation, the Executive shall not fail to provide to the Board a balanced budget proposal by a date specified by the Board.
2. In developing a draft balanced budget proposal, the Executive shall not plan to use funds from the investments (savings accounts) in ways that are contrary to restrictions placed on these funds by a Board-approved donation document, the Board, or the membership of the Church.
3. To insure that allocation of the Church resources reflects the priorities of the Church, the Executive shall not fail to follow the Annual Plan (set by the Board pursuant to Policy III.C) in developing a balanced budget proposal.

F. Financial activities

With respect to the Church's actual, ongoing financial activities, the Executive shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from established Board priorities.

Accordingly, the Executive shall not:

1. Expend or invest any funds restricted by a Board-approved donation document, the Board, or the membership in a manner inconsistent with the restriction.
2. Expend funds inconsistently with the expenditure categories in the budget, except to the extent that transfers between categories are authorized by the Bylaws, the membership, or the Board.
3. Indebt the Church in an amount greater than can be repaid by certain, otherwise unencumbered revenues, within three months.
4. Make loans between funds that cannot be repaid within three months.
5. Allow cash to drop below the amount needed to meet payroll and debts in a timely

manner.

6. Fail to inform the Board in writing concerning actual revenues and expenditures and appropriate comparisons and projections, at each regular Board meeting.
7. Make any material purchases not provided for in either the capital expenditure or operational projections or in conflict with restrictions on the execution of contracts (see Execution of Contracts section, below).

G. Applying for grants from outside funding agencies

No one other than the Executive or their express designees shall apply for any grant on behalf of the Church from outside funding agencies. The Executive and their express designees shall not apply for any grant that fails to serve the Statement of Ministry or comply with Executive Limitations. Notwithstanding the above, the Executive shall encourage congregants to suggest grant opportunities, and shall appoint express designees to pursue such grants if the Executive is unable to pursue such grants themselves. Accordingly, the Executive or their express designees shall not:

1. Fail to oversee the grant application process.
2. Fail to collect, review and retain information about the grant application.
3. Fail to collect, review and retain quarterly follow-up reports on grant activities.
4. Fail to consider the budgetary, staff, and facility impacts of the grant application.

H. Execution of contracts

No one other than the Executive or their express designees shall execute any contract on behalf of the Church. The Executive and their express designees shall not enter into any contractual arrangements that fail to serve the Statement of Ministry or comply with Executive Limitations. Accordingly, the Executive or their express designees shall not:

1. Fail to obtain Board approval prior to executing any non-budgeted contract.
2. Make a single purchase or commitment of greater than \$1,000, without obtaining and considering at least three bids or offers, unless under the circumstances they believe it would be manifestly unreasonable to obtain and consider multiple bids or offers.
3. Fail to seek legal advice, when necessary, to interpret and assess contractual terms.

I. Acceptance of restricted gifts

The Executive shall not accept any gift to the Church that is offered contingent upon some future or present action or change in any policy of the Church or has placed upon it any restrictions that are contrary to the standards of the Church's Statement of Ministry or the Unitarian Universalist Principles. Gifts contingent upon future or present actions or a change in any policy of the Church may be accepted only by the Board or the Congregation at large, depending on the nature of the restriction. In no event shall gifts that are offered with restrictions that are contrary to the Church's Statement of Ministry or the Unitarian Universalist Principles be accepted.

J. Asset management

The Executive shall not allow the assets of the Church to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the Executive shall not:

1. Fail to adequately insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits. This paragraph does not require

- insurance for earthquakes.
2. Fail to insure against corporate liability and personal liability of Board members and paid staff (including part-time staff) relating to Church business, taking into account pertinent statutory provisions for indemnification and exemptions applicable to California non-profit organizations.
 3. Allow volunteer personnel access to funds in excess of \$1,000 without prior training and without having established fiscal controls.
 4. Subject plant and equipment to improper wear and tear or insufficient maintenance.
 5. Unnecessarily expose the Church, the Board, or staff to claims of liability or risk the Church's non-profit status.
 6. Invest operating capital in insecure instruments, including uninsured checking accounts or bonds or certificates of deposit of less than A (strong) rating (under Standard & Poor's rating system) or equivalent.
 7. Endanger the Church's public image or credibility, particularly in ways that would hinder accomplishment of its Statement of Ministry.
 8. Purchase, encumber, or dispose of real property without advance authorization from the Board.

K. Communication and support to the board:

The Executive shall not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the Executive shall not:

1. Fail to submit monitoring data required by the Board (see Board-Executive Linkage policy IV.E) in a timely, accurate, complete, and understandable fashion, directly addressing provisions of Policies.
2. Fail to present all other types of information to the Board in a manner that is timely, accurate, complete, concise, understandable, and facilitates decision-making.
3. Fail to inform the Board in a timely manner of relevant trends, public policy initiatives, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Policy has previously been established.
4. Fail to advise the Board if the Executive perceives the Board to be out of compliance with its own policies on Governance Process and Board-Executive Linkage, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and the Executive.
5. Fail to recommend changes in Policies, the need for which became or has become known to them.
6. Fail to deal with the Board as a whole except when fulfilling individual requests for information, or responding to members duly charged by the Board.
7. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
8. Fail to supply for the consent agenda, if applicable, all items delegated to the Executive yet required by law, Bylaws, or contract to be Board-approved, along with any monitoring assurance pertaining thereto.
9. To support the Board's work in setting an Annual Plan, the Executive shall not fail to provide the Board, by dates specified by the Board, a review of the major programs of the Church. This "Program Review" shall include at least the following: a self-

evaluation of the Executive's performance; a brief review of activities within each program in the preceding year; a description and census of the community(ies) served by each program; budget amounts directly associated with each program; apportioned indirect and/or overhead amounts that can fairly be assigned to each program, based on a formula that the Executive shall develop and that shall be included as part of its Program Review; and a recommendation to the Board to increase, decrease, maintain, revise, or eliminate each program.

III. GOVERNANCE PROCESS

The purpose of the Board of Trustees, on behalf of the Membership of the Church, is to see to it that Emerson Unitarian Universalist Church (1) achieves the goals of its Statement of Ministry with appropriate use of its resources, and (2) avoids unacceptable actions and situations as defined in the Bylaws and these Policies.

A. Governing style

The Board will govern with an emphasis on (1) vision, (2) acceptance of diversity in viewpoints, (3) strategic leadership more than administrative or programmatic detail, (4) clear distinction of Board and Executive roles, (5) collective rather than individual decisions, (6) focus on the future while learning from the past and present, and (7) proactivity rather than reactivity. In this spirit, the Board will:

1. Focus chiefly on Ends, not on the administrative or programmatic Means of attaining those effects.
2. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to policymaking 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.
 - a. Be accountable to the Congregation and other stakeholders (e.g.: UUA, PSWD, neighborhood, etc) 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 effective governance process. Board members' interaction with the Executive or with staff must recognize the lack of authority in any individual member or subgroup of Board members.
 - b. Board members' interaction with the public, press, or other entities must recognize the same limitations and the similar inability of any member, except the President when authorized by the Board, to speak for the Board.

B. Board job description

The job of the Board is to represent and lead the Membership in determining and requiring appropriate organizational performance. These responsibilities are subject to provisions in the Bylaws defining the respective responsibilities of the Board members, the Congregation, and the minister. Consequently, the "products" or job contributions of the Board shall be:

1. The link between EUUC and its Congregants.
2. Written governing policies that, at the broadest level, address each category of organizational decision:
 - a. Ends: What benefits for what needs, at what cost.

- b. Executive Limitations: Boundaries of prudence and ethics to be observed by the Executive.
 - c. Governance Process: Specification of how the Board conceives, carries out, and monitors its own tasks.
 - d. Board-Executive Relationship: How power is delegated and its proper use monitored.
3. The assurance of Executive performance vis á vis policies III.B. 2a, 2b, and 2d.
 4. An annual budget to recommend to EUUC's membership. The Board shall recommend to the membership a budget dividing anticipated expenditures among a small number of general categories. The Board may, for the information of the membership, describe the anticipated expenditures in greater detail but, in order not to interfere with the discretion of the Executive, shall recommend that the budget approved by the membership not include this additional detail.
 5. The date by which the Executive must submit a proposed balanced budget to the Board.

C. Planning process

To accomplish its job with a governance style consistent with Policies and to help guide the Executive in its actions, the Board will devise an Annual Plan designed to set forth major goals for the up-coming fiscal year ("Plan"). Accordingly,

1. The Plan will be devised each year by the last day of January, so administrative planning and budgeting can be based on the Plan.
2. The Board will consult with the Executive and, as necessary, others when devising the Plan.
3. In devising the Plan, the Board will consider means of improving Board performance through Board education, and re-exploration as appropriate of Board Ends policies.
4. The Board will review Board policies in light of operational issues considered at the Board's regular meetings.
5. When the Board holds its regular meetings throughout the year, it will consider the Plan as a regular part of the meetings.

D. President's role

The President (1) assures the integrity of the Board's process, (2) typically represents the Board to Members and outside parties, (3) presides at meetings of the Board and of the Church membership, and (4) fulfills other such duties and responsibilities as may be assigned by the Board or the Church. Accordingly,

1. The job of the President is to ensure that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the Church.
 - a. Meeting discussion content will not be held to decide on issues that, according to Policy, clearly belong to the Executive to decide. However, discussion may sometimes include operational issues to the extent that they shed light on policy implications.
 - b. Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited to time, and kept to the point.
 - c. Robert's Rules will be observed, except where the Board has superseded them.
2. The authority of the President consists of making decisions on behalf of the Board

that fall within or are consistent with Policies on Governance Process and on Board-Executive Relationship.

- a. The President is empowered to chair Board meetings with all the commonly accepted authority of that position (e.g., ruling, recognizing).
- b. The President's authority does not extend to making decisions about areas that are within the purview of the Executive.
- c. The President's authority does not extend to supervising or otherwise directing the Executive.

E. Board members' code of conduct

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

Accordingly,

1. Board members must represent unconflicted loyalty to the interests of the Congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. This accountability supersedes the personal interest of any member acting as an individual congregant.
2. Board members must avoid any 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 member and the Church except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.
 - b. Board members must not use their positions to obtain for themselves, family members, or close associates employment within the Church.
 - c. Should a member, family member or close associate of the member be considered for employment by the Church, she/he must temporarily withdraw from Board deliberations, voting, and access to applicable Board information.
 - d. Should a member be employed by the Church or act as a paid consultant, she/he must resign from Board service.

F. Board committee principles

The Board may establish committees to help carry out its responsibilities. To preserve the Board functioning as a whole, committees of the Board will be used sparingly.

Accordingly,

1. Board committees may not speak for or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the Executive.
2. Board committees are to help the Board do its job, not to help the staff do its job. Committees will assist the Board chiefly by preparing policy alternatives and implications for Board deliberation. Board committees are not to be created by the Board to advise staff.
3. This policy applies only to committees that are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the Executive or to committees described in the

Bylaws.

G. Board and Executive complaint and inquiry process

The Board is open to hearing complaints and inquiries concerning Church Governance from any Member. Such matters shall be directed to the Board President in a timely manner, at least 7 days in advance of the next scheduled Board meeting if possible, for inclusion on the Board agenda. The President shall determine whether the Board is the appropriate body to receive the complaint or inquiry, or will direct it to the more appropriate person or group.

IV. ENDS STATEMENTS

Emerson Unitarian Universalist Church is a liberal religious community that is guided by the Unitarian Universalist Principles in all that we do.

Thus,

1. EUUC is a beloved community where people grow spiritually and support one another in life's journeys.
2. EUUC celebrates and encourages the diversity of heritage, culture, beliefs and experience shaping our individual visions of the truth.
3. EUUC works toward peace, hope, justice, and the health of the environment.

V. EXECUTIVE MONITORING REPORT SCHEDULE

(all internal except Financial Planning in May and Communication to Board in June are direct)

Report	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Treatment of Staff	X						X					
Financial Activities	X			X			X			X		
Ends/Program Outcomes		X			X			X			X	
Asset Management		X						X				
Compensation and Benefits			X									
Financial Planning					X							
Treatment of Congregants						X						
Communication to Board						X						
Contracts								X				
Applying for Grants									X			
Restricted Gifts											X	
Executive Teamwork												X
Confidentiality				X								
Succession										X		