

## **Emerson Unitarian Universalist Church Executive Limitations**

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".

II. EXECUTIVE LIMITATIONS The Executive Team (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 Team shall not fail to consult with the Board.

A. EXECUTIVE TEAMWORK: The Executive Team shall not fail to speak as one voice to all parties to whom the Executive Team 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.

B. TREATMENT OF CONGREGANTS: With respect to interactions with congregants, the Executive Team shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, 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.

C. TREATMENT OF STAFF: With respect to the treatment of paid and volunteer staff, the Executive Team 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, Executive Team 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.

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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.

D. COMPENSATION AND BENEFITS: With respect to compensation, employment, and benefits, the Executive Team shall not cause or allow jeopardy to the fiscal or ethical integrity of the Church.

Accordingly, the Executive Team shall not:

1. Increase individual Executive Team 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.

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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, in procedures described in the Bylaws.

Accordingly,

1. To facilitate the Board's recommendation of a budget for consideration by the Congregation, the Executive Team 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 Team 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 Team 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 Team shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from established Board priorities.

Accordingly, the Executive Team 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.

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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 Team or their express designees shall apply for any grant on behalf of the Church from outside funding agencies. The Executive Team and their express designees shall not apply for any grant that fails to serve the Statement of Ministry or comply with Executive Limitations.

Accordingly, the Executive Team 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 Team or their express designees shall execute any contract on behalf of the Church. The Executive Team 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 Team 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 an amount specified by the Board annually, other than for professional services, 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.

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I. ACCEPTANCE OF RESTRICTED GIFTS: The Executive Team shall not accept any gift with restrictions that are contrary to the standards of the Church's Statement of Ministry and the Unitarian Universalist Principles.

J. ASSET MANAGEMENT: The Executive Team shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

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

Accordingly, Executive Team members shall not:

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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 Team 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 Team.
5. Fail to recommend changes in Policies, the need for which 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 all items delegated to the Executive Team 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 Team 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 Team's performance.