

---

## **Policy Governance Manual**

### **I. Ends**

#### **II. Executive Limitations**

- 2.0. Global Executive Constraint
- 2.1. Treatment of Congregants
- 2.2. Treatment of Staff
- 2.3. Financial Planning and Budgeting
- 2.4. Financial Condition and Activities
- 2.5. Emergency Executive Team Succession
- 2.6. Asset Protection
- 2.7. Compensation and Benefits
- 2.8. Communication and Support to the Board

#### **III. Board-Executive Delegation**

- 3.0. Global Governance-Management Connection
- 3.1. Unity of Control
- 3.2. Accountability of the Minister
- 3.3. Board-Management Delegation
- 3.4. Monitoring Minister Performance

#### **IV. Governance Process**

- 4.0. Global Governance Commitment
- 4.1. Governing Style
- 4.2. Board Job Products
- 4.3. Agenda Planning
- 4.4. Board President's Role
- 4.5. Board Vice-President's Role
- 4.6. Board Secretary's Role
- 4.7. Board Treasurer's Role
- 4.8. Board Members' Code of Conduct

4.9. Board Committee Principles

4.10. Cost of Governance

## **I. Ends**

The Olympia Unitarian Universalist Congregation is a liberal religious congregation where:

1. We expand our knowledge, deepen our understanding, and strengthen and live our Unitarian Universalist identities.
2. Our hearts are filled with experiences of wonder, awe, and connection to the spirit of life and love.
3. People of all ages, identities, and circumstances are welcomed and connected in our loving community.
4. The Olympia Unitarian Universalist Congregation responds to the needs of a changing congregation and world.
5. Our lives, and those of the larger community, are meaningfully changed through our collaborative work for justice.
6. We advocate for environmental justice and practice care for the Earth.

## **II. Executive Limitations**

### **2.0. Global Executive Constraint**

- The Minister shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business ethics and practices, and Unitarian Universalist Association principles, professional ethics, and practices.

## **2.1. Treatment of Congregants**

- With respect to interactions with congregants or those applying to be congregants, the Minister shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister shall not
  1. Elicit information for which there is no clear necessity.
  2. Use methods of collecting, reviewing, transmitting, or storing congregant information that fail to protect against improper access to the material.
  3. Fail to operate facilities with appropriate accessibility and privacy.
  4. Fail to establish with congregants a clear understanding of what may be expected and what may not be expected from the service offered.
  5. Fail to inform congregants of this policy or to provide a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.

## **2.2. Treatment of Staff**

- With respect to the treatment of paid staff and volunteers, the Minister shall not cause or allow conditions that are unfair, undignified, disorganized, unsafe, or unclear.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister shall not
  1. Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
  2. Discriminate against any staff member for nondisruptive expression of dissent.
  3. Fail to acquaint staff with the Lead Minister's interpretation of their protections under this policy.
  4. Allow staff to be unprepared to deal with emergency situations.

### **2.3. Financial Planning and Budgeting**

- The Minister shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister ~~will~~ shall not allow budgeting to:
  1. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities."
  2. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
  3. Provide less for board prerogatives during the year than is set forth in the Cost of Governance Policy.
- The Minister shall not produce a final budget too late for Board consideration and presentation to the Congregation for its approval: under current bylaws this translates to no later than November 30.

## 2.4. Financial Condition and Activities

- With respect to the actual, ongoing financial condition and activities, the Minister shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in Ends policies and the annual budget.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister shall not
  1. Expend more funds than have been received in the fiscal year to date unless the board's debt guideline (below) is met.
  2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues within ninety days.
  3. Use any long-term reserves.
  4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within thirty days.
  5. Fail to settle payroll and debts in a timely manner.
  6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
  7. Make a single purchase or commitment of greater than \$5000. Splitting orders to avoid this limit is not acceptable.
  8. Acquire, encumber, or dispose of real property.
  9. Fail to aggressively pursue receivables after a reasonable grace period.
  10. Fail to appropriately pursue pledge income.

## **2.5. Emergency Lead Minister Succession**

- In order to protect the board from sudden loss of Minister services, the Minister shall not permit there to be fewer than two other people sufficiently familiar with board and Executive issues and processes to enable either to take over with reasonable proficiency as an interim successor.



## 2.6. Asset Protection

- The Minister shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister shall not
  1. Fail to insure against theft and casualty losses and against liability losses to board members, staff, and the organization itself.
  2. Allow unbonded personnel access to material amounts of funds.
  3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
  4. Unnecessarily expose the organization, its board, or its staff to claims of liability.
  5. Make any purchase (a) wherein normally prudent protection has not been given against conflict of interest; (b) of more than \$1000 without having obtained comparative prices and quality; (c) of more than \$1000 without a reasonable method of ensuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
  6. Fail to protect intellectual property, information, and files from loss or significant damage.
  7. Receive, process, or disburse funds under controls that are insufficient to meet generally accepted accounting practices or appropriate church accounting standards.
  8. Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisers.
  9. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating at any time, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
  10. Endanger the organization's public image, its credibility, or its ability to accomplish ends.

11. Change the organization's name or substantially alter its identity in the community.
12. Create or purchase any subsidiary corporation.

## **2.7. Compensation and Benefits**

- With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Minister shall not cause or allow jeopardy to financial integrity or to public image.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister shall not
  1. Change own compensation and benefits, except as those benefits are consistent with a package for all other employees.
  2. Promise or imply permanent or guaranteed employment.
  3. Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed.
  4. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
  5. Establish or change pension benefits so as to cause unpredictable or inequitable situations.

## 2.8. Communication and Support to the Board

- The Minister shall not cause or allow the board to be uninformed or unsupported in its work.
- Further, without limiting the scope of the foregoing by this enumeration, the Minister shall not
  1. Neglect to submit monitoring data required by the board in Board-Management Delegation policy “Monitoring Minister Performance” in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored, and including Minister interpretations consistent with Board-Management Delegation policy “Delegation to the Minister,” as well as relevant data.
  2. Allow the board to be unaware of any actual or anticipated noncompliance with Ends or Executive Limitations policies of the board regardless of the board’s monitoring schedule.
  3. Allow the board to be without information as required periodically to make decisions, or let the board be unaware of relevant trends.
  4. Let the board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes including the emergency ministerial successor.
  5. Allow the board to be unaware that, in the Lead Minister's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the Minister
  6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
  7. Allow the board to be without a workable mechanism for official board, officer, or committee communications.

8. Deal with the board in a way that favors or privileges certain board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
9. Fail to submit to the board consent agenda containing items delegated to the Minister yet required by law, regulation, or contract to be board-approved.

### **III. Board-Management Delegation**

#### **3.0. Global Governance-Management Connection**

- The board's sole official connection to the operational organization, its achievements, and its conduct will be through the Minister.

### **3.1. Unity of Control**

- Only officially passed motions of the board are binding on the Minister.
- Accordingly:
  1. Decisions or instructions of individual board members, officers, or committees are not binding on the Minister except in rare instances when the board has specifically authorized such exercise of authority.
  2. In the case of board members or committees requesting information or assistance without board authorization, the Minister can refuse such requests that require, in the Minister's opinion, a material amount of staff time or funds, or are disruptive.

### **3.2. Accountability of the Minister**

- The Minister is the board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the Minister.
- Accordingly:
  1. The board will never give instructions to persons who report directly or indirectly to the Minister.
  2. The board will not evaluate, either formally or informally, any staff other than the Lead Minister.
  3. The board will view Minister performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends and avoidance of board-proscribed means will be viewed as successful Minister performance.

### 3.3. Board-Management Delegation

- The board will instruct the Minister through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the Minister to use any reasonable interpretation of these policies.
- Accordingly:
  1. The board will develop policies instructing the Minister to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
  2. The board will develop policies that limit the latitude the Minister may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions, and circumstances that would be unacceptable to the board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The board will never prescribe organizational means delegated to the Minister.
  3. Below the global level, a single limitation at any given level does not limit the scope of any foregoing level.
  4. Below the global level, the aggregate of limitations on any given level may embrace the scope of the foregoing level, but only if justified by the Minister to the board's satisfaction.
  5. As long as the Minister uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the Minister is authorized to establish all further policies, make all decisions, take all actions, establish

all practices, manage finances, present annual budget proposal to the congregation, and develop all activities. Such decisions of the Minister shall have full force and authority as if decided by the board.

6. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and Minister domains. By doing so, the board changes the latitude of choice given to the Minister. But as long as any particular delegation is in place, the board will respect and support the Minister's choices.

### 3.4. Monitoring Minister Performance

- Systematic and rigorous monitoring of Minister job performance will be solely against the only expected Minister job outputs: 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 board policies are being met. Information that does not do this will not be considered to be monitoring information.
  2. The board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the Minister discloses interpretations and 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; or (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 board will judge (a) the reasonableness of the Minister's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
  4. In every case, the standard for compliance shall be *any reasonable Minister interpretation* of the board policy being monitored. The board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the board as a whole.



5. All policies that instruct the Minister 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.

### OUUC Monitoring Calendar

#### September 2017

- Global Executive Constraint Interpretation
- Monitoring Calendar

#### October 2017

- End #1 Interpretation
- Compensation and Benefits Interpretation

#### November 2017

- End #2 & #3 Interpretation
- Financial Conditions and Activities Interpretation

#### December 2017

- End #4 & #5 Interpretation
- Financial Planning and Budget Interpretation
- Approve Budget
- Commission congregational survey development team
- Develop a script and a process for the linkage conversations. Present a short description at the congregational meeting. Report at December board meeting.

#### January

- End #6 Interpretation
- **Asset Protection Interpretation & INTERNAL REPORT**
- Update from congregational survey development team: draft survey
- More discussion of congregational survey as needed
- Hold 4-5 linkage conversations. 2-3 trustees participate in each session.

#### February

- Finalize the congregational survey at board meeting
- **Financial Conditions and Activities INTERNAL REPORT**
- Kick-off congregational survey
- Analysis of linkage conversations: what did the board learn? Are any policy revisions necessary? What board action is needed next?

Adopted by Board of Trustees 4-14-2016

Ends Policy added 4-25-2016, Updated 12-13-16, 5-11-17, 10-12-17, 4-9-20, 5-14-20,  
8/13/20

March

- Analyze congregational survey data (advisor doing this work; no board time yet)
- **Financial Planning and Budget INTERNAL REPORT**
- **Communication and Support Interpretation**

April

- **Annual Monitoring Report on Ends, per survey, etc. (to Board, then to Congregation)**
- **Communication and Support DIRECT INSPECITON**
- Congregational meeting in April

May

- Train incoming board members
- **Financial Conditions and Activities INTERNAL REPORT**
- **Emergency Lead Minister Succession Interpretation & INTERNAL REPORT**
- Monitor Board-Executive Delegation (at least 20-minute discussion on the board agenda)

June

- **Financial Planning and Budget INTERNAL REPORT**
- **Treatment of Congregants Interpretation & INTERNAL REPORT**
- **Treatment of Staff Interpretation & INTERNAL REPORT**

July

- No monitoring activity

August

- **Financial Conditions and Activities INTERNAL REPORT**

September **Global Exec. Constraint INTERNAL REPORT**

- **Financial Planning and Budget INTERNAL REPORT**
- Board budget request in

October

- **Compensation and Benefits INTERNAL REPORT**

November

- **Financial Conditions and Activities INTERNAL REPORT**

December

- Assess Governance Process (send Unity's board assessment form)

## **IV. Governance Process**

### **4.0. Global Governance Commitment**

- The purpose of the board, on behalf of [identify the ownership here], is to see to it that OUUC (a) achieves appropriate results for appropriate persons at an appropriate cost (as specified in board Ends policies), and (b) avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies).

#### 4.1. Governing Style

- The board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and Minister roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.
- Accordingly:
  1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.
  2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
  3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force.
  4. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
  5. The board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling group obligations.
  6. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

## 4.2. Board Job Products

- Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.
- Accordingly, the board will provide
  1. Authoritative linkage between the ownership and the operational organization.
  2. Written governing policies that realistically address the broadest levels of all organizational decisions and situations.
    - A. *Ends*: organizational impacts, benefits, outcomes; recipients, beneficiaries, impacted groups; and their relative worth in cost or priority.
    - B. *Executive limitations*: constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
    - C. *Governance process*: specification of how the board conceives, carries out, and monitors its own task.
    - D. Board-management delegation: how power is delegated, and its proper use monitored; the Minister's role, authority, and accountability.
  3. Assurance of successful organizational performance on Ends and Executive Limitations.
  4. Absentee ballots at Congregational Meetings:
    - A. The Board of Trustees will decide whether absentee voting shall be allowed at each Congregational meeting.
    - B. The availability of absentee voting will be publicized to the congregation as part of the initial announcement of the Congregational meeting at which the absentee voting is to be used.
    - C. The Board shall provide a template absentee ballot to the Minister for distribution to members requesting such a ballot.
    - D. The absentee ballot must be requested by an individual member
    - E. The absentee ballot must be returned to the Church at least one day prior to the meeting.
    - F. The absentee ballots will be delivered to the Board for inclusion in the count during the Congregational Meeting.
    - G. If there is an amendment to a motion included on the absentee ballot during the live meeting the count of absentee ballots received will not

be included for that motion and will be counted for other items on the agenda/ballot.

### 4.3. Agenda Planning

- To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (a) completes a re-exploration of Ends policies annually and (b) continually improves board performance through board education and enriched input and deliberation.
1. The cycle will conclude each year on the last day of May so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term ends.
  2. The cycle will start with the board's development of its agenda for the next year.
    - A. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
    - B. Governance education and education related to ends determination (presentations by futurists, demographers, advocacy groups, staff, and so on) will be arranged in the first quarter, to be held during the balance of the year.
    - C. A board member may recommend or request an item for board discussion by submitting the item to the President no later than five days before the board meeting.
  3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
  4. Minister monitoring will be on the agenda if monitoring reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.
  5. Minister remuneration will be decided during the month of October after a review of monitoring reports received in the last year and shall be considered in light of the UUA's fair compensation guidelines in addition to achievement of organizational aims.

#### 4.4. Board President's Role

- The Board President, a specially empowered member of the board, ensures the integrity of the board's process and, secondarily, occasionally represents the board to outside parties.
- Accordingly:
  1. The assigned result of the President's job is that the board behaves consistently with its own rules and those legitimately imposed on it from outside the organization.
    - A. Meeting discussion content will be only those issues that clearly belong to the board to decide or to monitor.
    - B. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
    - C. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
  2. The authority of the President consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of a Minister and (b) where the board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provision in these policies.
    - A. The President is empowered to chair board meetings with all the commonly accepted power of that position, such as ruling and recognizing.
    - B. The President has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the President has no authority to supervise or direct the Minister.
    - C. The President may represent the board to outside parties in announcing board-stated positions and in stating President decisions and interpretations within the area delegated to that role.
    - D. The President may delegate this authority but remains accountable for its use.



#### **4.5. Board Vice-President's Role**

- The Board Vice-President assumes the authority and responsibilities of the Board President in the Board President's absence.

#### **4.6 Board Secretary's Role**

The board secretary is an officer of the board whose purpose is to ensure the integrity of the board's documents.

1. The assigned result of the secretary's job is to see to it that all board documents and filings are accurate and timely.
  - a. Policies will be current in their reflection of board decisions. Decision upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or board member recognitions need not be placed in policy.
  - b. Policies will rigorously follow Policy Governance principles.
  - c. Bylaws elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the board.
  - d. Requirements for format, brevity, and accuracy of board minutes will be known to the Minister
2. The authority of the secretary is access to and control over Board documents, and the use of staff time not to exceed 20 hours per year.

#### **4.7. Board Treasurer's Role**

- The Board Treasurer is an office of the board, whose duty it is to ensure that the Board carries out its fiduciary responsibility.
- Accordingly,
  1. The assigned result of the Treasurer's job is that the Board carries out its fiduciary responsibilities for the Congregation. The treasurer shall:
    - A. Serve as a member of the Endowment Committee.
    - B. Advise the Board and, where required by the by-laws, the Congregation on financial commitments outside the purview of the Executive.
    - C. Conduct or support a periodic audit or independent management review of Congregation financial records, as requested or required by the Board.
    - D. Educate the Board regarding its fiduciary responsibility.
    - E. Educate the Board in understanding financial reports and their implications.

#### 4.8. Board Members' Code of Conduct

- The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.
  1. Members must demonstrate loyalty to the ownership, unconflicted by loyalties to staff, other organizations, or any personal interests as congregants.
  2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
    - A. There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
    - B. When the board is to decide on an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment not only from the vote but also from the deliberation and the room in which the deliberation takes place.
    - C. Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. A board member who applies for employment must first resign from the board.
  3. Board members may not attempt to exercise individual authority over the organization.
    - A. Members' interaction with the Lead Minister or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.
    - B. Members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
    - C. Except for participation in board deliberation about whether the Minister has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees or the Minister.
  4. Members will respect the confidentiality appropriate to issues of a sensitive nature.
  5. Members will be properly prepared for board deliberation.

6. Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member's personal position on the issue.
7. Members will exhibit generosity in contributing their time, talents and financial resources to OUUC.

#### 4.9. Board Committee Principles

- Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to Minister.
- Accordingly:
  1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
  2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Minister.
  3. Board committees cannot exercise authority over staff. The Minister works for the full board, and will therefore not be required to obtain the approval of a board committee before an executive action.
  4. Board committees are to avoid overidentification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.
  5. Committees will be used sparingly and ordinarily in an ad hoc capacity.
  6. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the Minister.

#### 4.10 Board Committees

- The purpose of the **Endowment Committee** will be to solicit and manage one-time time “major gifts” to OUUC and estate bequests named in the wills or trusts of OUUC members and friends.
- The board will appoint a three-person Endowment Committee as an ongoing standing committee of the board.
- One of the three members will be the Treasurer of the Board. The other two members of the committee will be appointed for three-year terms.
- The following procedures will be followed by the committee:
  1. Fundraising:
    - The OUUC Endowment Committee shall conduct periodic or ongoing “fund campaigns” to increase the size of the Endowment Fund. These may be specific campaigns or an on-going one-on-one approach with OUUC members and friends.
    - The Endowment Committee shall acknowledge each gift to the Endowment Fund within 15 days of receipt of such gift.
    - The Endowment Committee shall ensure that donors who gift \$2,500 or more to the OUUC Endowment Fund are acknowledged with an engraved “leaf” on the bronze giving tree plaque in the church commons.
  2. Investment of Funds:
    - The Endowment Committee shall research investment options for the Endowment Fund and choose, by a two-thirds vote, the optimal investment strategy.
    - If OUUC is gifted stocks or bonds for the Endowment fund, the Endowment Committee will request that these gifts be converted to cash by the church administrator or Treasurer prior to investment.
    - The church Treasurer may hold gifts to the Endowment fund in a general account until that account reaches a balance of \$5000 at which point the Treasurer will transfer the balance to the investment fund chosen by the Endowment Committee.
    - The Endowment Committee shall establish acceptable levels of risk and expected investment performance levels for the investment strategies it chooses for the Endowment Fund. Investment performance will be monitored by the board annually; other investment strategies will be considered if the board believes that the Fund performance is below anticipated long-term levels.
  3. Management of Endowment Funds:
    - The Endowment Committee shall regularly monitor the statements from the selected investment fund to stay informed regarding the performance of the investments.

- The Endowment Committee will, by December 31 of each year, report to the OUUC Board on:
  - The investment strategy of the Endowment Fund;
  - The number of gifts received in a fiscal year and the TOTAL amount of endowment gifts received in that year;
  - The total size of the Endowment Fund and the interest earned on the principal during that fiscal year.
  - The Church Administrator shall maintain reports received from the investment company and make them available to Board and the OUUC bookkeeper to include in regular financial reports.
4. Disbursement of Earned Income from the Endowment Fund:
- The Board of Trustees, upon the recommendation of the OUUC Executive, may approve in a given fiscal year requested expenditures from the Fund for special projects if the principal has reached \$500,000 in value at the end of the prior fiscal year. Expenditures from the fund shall be capped at 3% of the average of the principal balance at the end of the previous 12 quarters.
  - For the first 3 years of fund operation, expenditures from the fund shall be limited to 2.5% of the principal balance at the end of the previous fiscal year.
  - In no circumstances shall any spending be authorized if the principal falls below \$500,000



#### 4.11. Cost of Governance

- Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.
- Accordingly:
  1. Board skills, methods, and supports will be sufficient to ensure governing with excellence.
    - A. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
    - B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This may include, but is not limited to, financial audit.
    - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
  2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability, and should include funding for Board training including hiring consultants, attendance at conferences and workshops, and purchase of information and training materials; Board education including surveys, focus groups, and meeting costs; and audits and other third-party monitoring of organizational performance,
  3. The board will establish its cost of governance budget for the next fiscal year during the month of September.

