

# Unitarian-Universalist Church of Nashua Governing Policies

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# I: Ends

## Policy A: Mission

We are a welcoming community of faith, inspiring lives of wonder, generosity, and courage, serving the world through love in action.

## Policy B: Ends Statements

We create brave space for all ages where we:

- Know our authentic Unitarian Universalist faith identity, teach it to our children, share it with others, and live it in the world.
- Develop meaningful spiritual practices that connect us to wonder.
- Ask for and receive care, support, and connection in times of struggle, joy, and transition.
- Grow leaders who serve the needs of our congregation and our community with faith, resilience, and courage.
- Steward our congregational community with our time, talent, and money.
- Participate actively in our larger Unitarian Universalist community.
- Understand systems of oppression and privilege and work to dismantle them within ourselves, our congregation, our community, and the larger world.
- Work in deep partnership to advance justice and heal our community and our world.

## Policy C: Values

- Wonder
- Authentic connection
- Courageous community
- Love in action

## Policy D: Moral Ownership

In consideration of the governing policies of the Unitarian-Universalist Church of Nashua, the Board of Trustees is accountable to the moral owners of the church. The moral owners of this church are all those people who embrace our mission and participate in its accomplishment. Moral ownership includes future generations who will succeed those of us engaged in this church in the present.

## Policy E: Primary, Secondary & Tertiary Stakeholders

In accomplishing its mission and ends, the Unitarian-Universalist Church of Nashua will prioritize its planning and resources first towards its primary stakeholders, next towards its secondary stakeholders, and then towards its tertiary stakeholders, as such groups are defined below:

### Primary Stakeholders

- Members
- Our minister and staff
- Friends of the church of all ages who participate in church programs and/or contribute to the operating budget
- Children of voting members or friends
- Potential members who are seeking to find a church community with a mission like ours
- Future Generations

### Secondary Stakeholders

- Our associated organizations such as the Nashua Cemetery Association and White Wing School
- Unitarian Universalist Association and its associated organizations, such as the Unitarian Universalist Service Committee
- Northern New England District of the Unitarian Universalist Association
- New England Regions of the Unitarian Universalist Association
- Other Unitarian Universalist churches
- Organizations that are recipients of our Outreach Collections or with which we maintain membership (Granite State Organizing Project)

### Tertiary Stakeholders

- Neighbors and the greater Nashua community
- Nashua Interfaith Council
- Building users & renters
- Vendors and workers hired by the church to perform tasks temporarily
- Other funders
- People served by the organizations that are recipients of our Outreach Collections

## II. Governing Process

According to the by-laws of the Unitarian Universalist Church of Nashua, N.H., the ultimate authority for all matters pertaining to the operations of the Church rests with the Congregation. The Board of Trustees, acting on behalf of the Congregation, sets Church policies, and monitors the execution of those policies.

### **Policy A: Board of Trustees' Job Description**

Summary: The Board acts on behalf of the moral owners of the Unitarian Universalist Church of Nashua

- to determine the Church's mission and ends;
- to facilitate the achievement of its mission and ends through the creation and continual re-assessment of governing policies; and
- to assess the success of the achievement of its mission and ends.

The Board exercises the authority granted by the by-laws via the general principles of "Policy Governance," as defined herein. Under this governance model, the Board delegates to the Minister, as the Executive Director of the Church, the implementation of the governance policies. The job of the Board is to make contributions that enable the Congregation to achieve its stated ends in an efficient and effective manner. The Board's

specific contributions are unique to its trusteeship role and necessary for proper governance and management. Consequently, the job of the Board shall be to:

### **1. Communicate and Link with the Congregation**

Governance at UU Nashua is in the form of a covenantal representative democracy, based on commonly held religious values, and held together by a unified mission. The Board will forge and maintain strong and trusting linkages with the current Congregation that elected its members. The relationships that the Board must establish, maintain, clarify, and protect include not only its relationship with the current Congregation, but also with all of the remaining moral owners of the Church. With this in mind, the Board will plan two-way communications activities with the Congregation as part of its annual governance agenda. Such linkage plans may include:

- reporting to the Congregation
- holding open Board meetings and posting minutes and agendas, as appropriate
- maintaining and posting a policy manual
- responding to inquiries, concerns, and criticisms
- participating in Church events
- conducting annual Congregational surveys to solicit Congregational feedback regarding Board performance
- educating the Congregation about Policy Governance

### **2. Write and Continually Re-assess Governing Policies**

The governing policies shall address:

- Ends: Statements of desired organizational products, impacts, benefits, outcomes;
- Governing Process: Specifics regarding how the Board conceives, carries out, and monitors its own task;
- Executive Limitations: Constraints on executive authority that establish prudent and ethical boundaries within which lie the acceptable arena of executive activity, decisions, and organizational circumstances; and
- Board-Executive Relationship: How power is delegated, and its proper use is monitored.

**3. Assure Executive Performance** through monitoring and evaluation in accord with the governing policies.

### **4. Review the Annual Budget**

The Board will review an annual budget prepared by the Executive. After it has approved the budget, the Board will advocate for its approval by the Congregation.

### **5. Invest in Good Governance**

The Board will continually seek to improve its ability to govern competently and wisely, understanding that poor governance costs more in the long run than learning to govern well. The Board may direct the Executive to allocate funds for expenses incurred for retaining outside consultants for assistance and/or individual members to participate in relevant educational opportunities related to Policy Governance training.

## **Policy B: Governing Style**

The Board will govern with an emphasis on:

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- future vision rather than past or present practices
- pro-active leadership rather than reactive administrative details and tactics
- outward vision rather than internal preoccupation
- encouragement of diversity in viewpoints
- a clear distinction between Board and Executive roles
- collective rather than individual decisions

### **Policy C: The Role of the Church President**

The Church President acts as the Chairperson of the Board. The President is responsible for assuring that the Board's actions are consistent with its own policies, the Church by-laws, and requirements imposed legitimately from outside the Church. The President or his/her designee represents the Board to outside parties. The President remains accountable for tasks s/he may delegate to others.

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 the Board-Executive relationship.

The President presides at Board meetings and meetings of the Congregation with all the commonly accepted powers of that position (e.g., ruling, recognizing, etc.). The President plans Board meetings and distributes the meeting agenda in a timely fashion. The President will keep meeting discussions to issues which, according to the governing policies, clearly belong to the Board to decide, not the Executive Director.

The President's authority does not extend to supervising, interpreting Board policies to, or otherwise directing the Executive Director or other staff. Nothing in this policy is intended to interfere with mutual interaction about individual understandings of policies.

### **Policy D: Annual Review of Governing Policies**

The Board will re-evaluate the Unitarian-Universalist Church of Nashua's governing policies on an annual basis.

### **Policy E: Board Committee Principles**

Board committees, when used, will be assigned specific tasks by the Board to enhance and reinforce the Board's job, and will report directly back to the Board so as never to interfere with delegation from the Board to the Executive.

Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated so as not to conflict with authority delegated to the Executive.

Board committees are appointed to help the Board do its job, not to help the Executive Director or other staff members to do their jobs. 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.

Board cannot exercise authority over staff, and in keeping with the Board's focus on the future, Board committees will not ordinarily have direct dealings with current staff operations. Further, the Board will not impede its direct delegation to the Executive by requiring approval of a Board committee before an Executive action. The Executive Director works for the Board, never for a Board committee or officer.

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.

### **Policy F: Complaints to the Board**

From staff about Minister: covered in Personnel Policy Manual.

From Congregation member, about staff member, Church program, or other member(s) of Congregation: handled by Minister.

From Congregation member, about Minister: [insert]

From Congregation member, about Board: [insert]

### **Policy G: Board Members' Code of Conduct**

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

## **Unitarian Universalist Church of Nashua Board of Trustees Covenant**

The members of the Unitarian Universalist Church of Nashua, New Hampshire, acting in the tradition of the Free Church, have entrusted us with the responsible governance of our congregation. To help us honor that trust we promise the following to one another. As fellow members of the Board of Trustees of the Unitarian Universalist Church of Nashua, we will:

**Show respect for one another.** We will honor the dignity of our fellow Board members and respect their opinions. We will strive to assure that everyone's voice is heard and refrain from interrupting each other. We will assume the best intentions of our fellow Board members, remembering that we are working toward common goals.

**Take responsibility to express our opinions on the issues before us.** We recognize that we each have an obligation to express our views on the important matters that come to the Board. We will keep an open mind when listening to the viewpoints of others, and express our disagreements respectfully.

**Respect the dignity of Board decisions.** We may offer varying opinions in our discussions, but we will stand behind the decisions the Board has made once the decision making process has been fairly completed.

**Maintain the highest levels of confidentiality.** We realize that in the course of our service on the Board we will be presented or become aware of confidential information pertaining to the activities, operations and the business of UUCN and/or financial and personal information of UUCN's members. We will treat this information with care and take every reasonable measure to guard against its disclosure.

**Make efficient use of time.** We will focus on the issue on the table with minimum distractions and complete our work in a timely manner. Making efficient use of time includes timely dissemination of meeting materials; taking

time to read through materials and prepare for meeting discussions, respecting established time limitations; and keeping comments pertinent and succinct.

**Respect the value of face-to-face interaction, but allow the use of alternative communication technologies when necessary.** Whenever possible, we will conduct our discussions and deliberations in person. When we cannot meet in person we will value real-time, interactive communication technologies (e.g. Skype) over alternatives, resorting to email only as a last resort when expediency demands it. To that end, any member(s) participating remotely who can both hear our discussion and speak will count towards a quorum and be allowed to vote.

**Maintain a sense of the sacred.** Even as we attend to matters of business, we will remember that we are a religious community, and our purpose is to advance the mission and covenant of this Church.

**Inject fun in our work.** Though our work together is serious, we shall not take ourselves too seriously.

**Make our activities transparent to the Congregation.** We are mindful that we have been entrusted by the members of this Church to carry out the business of governance. Therefore it is our duty and obligation to participate in and encourage open, two-way communication regarding our work on their behalf.

**Keep mindful that we are part of a greater community.** We shall remember that in our deliberations we must consider the needs of our larger community and the impact of our decisions on the world outside our doors.

**When we fall short of this covenant,** we will make amends, forgive ourselves and each other, and, if necessary, seek help to restore covenant between us.

**This is a living document.** As such, it can be reviewed and revised by consensus at any time.

## **Policy H: Invested Funds Committee**

Recognizing the need for a focused, long-term strategy to manage the UU Church of Nashua's endowment and invested funds, the Board of Trustees (BoT) hereby creates the Invested Funds Committee (IFC).

### 1. UUCN Establishment Policy of the Invested Funds Committee

#### **Mission of the IFC**

- The IFC will be responsible for the oversight and investment of church funds.
- The IFC will follow the *Investment Strategy of the UUCN Invested Funds Committee* (Policy II.H.2), recommend changes as appropriate and advise the Board of Trustees on investment matters.
- The IFC will advise the BOT on selecting and approving investment managers.

#### **IFC Membership**

- IFC membership will be a minimum of five members.
- The Minister, President and Treasurer are encouraged to attend in an advisory capacity and will be copied on all IFC communications.
- As IFC meetings are open to any voting church members - they are most welcome to attend any IFC meeting.

- One of the five members will be the Cemetery Treasurer who will oversee the cemetery funds, will be elected in accordance with Article 10 - Nashua Cemetery Association of the UUCN Bylaws, and will serve as a full member of the IFC as long as the cemetery funds are co-mingled with the church funds.
- All other IFC members will be voting church members and will be selected and approved and serve at the pleasure of the BoT.
- Membership on the Invested Funds Committee requires successfully passing a background check.
- In delegating the Board's fiduciary responsibility for overseeing the invested funds, IFC members accept this fiduciary responsibility.
- One IFC member will be selected by the IFC members to serve as IFC Chairperson.
- One IFC member will be selected by the IFC members to serve as Clerk of the IFC.
- The Clerk will prepare, circulate and keep meeting minutes and IFC membership status records.
- Each IFC member shall have one vote on all IFC decisions.
- Each IFC member will serve a maximum of three, three-year terms with the exception of the Cemetery Treasurer.
- IFC member terms will be staggered, beginning upon approval of this policy by the BOT, with initial terms of one, two and three years to begin the staggering.
- Upon approval, initial staggering of IFC membership terms will be determined by the IFC and submitted to the BoT for approval.

#### **IFC Operation**

- The IFC shall meet a minimum of four times per fiscal year. Meetings will be guided by the spirit of "Robert's Rules of Order" and the UU Seven Principles.
- At each meeting the IFC will review investment performance and evaluate existing policies as needed.
- The Clerk will prepare and circulate to all attendees a meeting report to include attendance, activities and decisions.
- The Clerk will prepare a brief IFC Quarterly Meeting Summary for the President and the Board of Trustees.
- The IFC Chairperson will;
- Prepare an IFC annual report for the UUCN President before the annual meeting.
- Report to the Minister and President a recommended annual dollar withdrawal amount.
- The IFC will report to the Minister a recommended annual dollar withdrawal amount to be used for budgeting purposes for the succeeding fiscal year by March 1 of the current fiscal year.
- The annual dollar withdrawal amount will be calculated based on the current year December 31 market close.

## 2. Investment Strategy of the UUCN Invested Funds Committee

#### **Invested Funds Management Objectives**

- Growth of capital when possible with a balanced return<sup>1</sup> approach

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<sup>1</sup> *balanced return* – "A portfolio allocation and management method aimed at balancing risk and return. Although the balanced investment strategy aims to balance risk and return it does carry more risk than those strategies aiming at 'capital preservation' or 'current income.' In other words, the balanced investment strategy is a somewhat aggressive strategy, and is suitable for those investors with a longer time horizon (generally over five years), and have some risk tolerance."



- Revenue generation in support of the church operations
- Consider socially responsible investments

### **Invested Funds Principles**

- All decisions and activities will be guided by the UU Seven Principles.
- Investments will only be made in accord with prudent investing practices for non-profit organizations.
- Individual gifts to UUCN will be managed in honor of the expressed wishes of the donor.

### **Invested Funds Withdrawal Policy**

- The IFC will recommend withdrawal of funds for UUCN based on calculations using methods consistent with the invested funds management objectives and prudent management industry standards for non-profit organizations.

## **Policy I: Approval of Minutes for Congregational Meetings**

Given the importance of maintaining a record of congregational meetings and the typically long intervals between such meetings, the default approval process of the minutes of such meetings occurs too long after the original event to be meaningful. The following procedure documents how minutes of congregational meetings will be processed, distributed, and approved.

1. **Record Minutes** – The Clerk will record minutes of the congregational meeting.
2. **Internal Review** – The Clerk will distribute a draft of those minutes within 10 days of the meeting to the presiding officer of the meeting, the President, the Parliamentarian(s) of the meeting (if any was selected), and any speakers or presenters named on the agenda of the meeting. These named parties shall have 10 days to suggest corrections or emendations to the Clerk.
3. **Draft Distribution** – The Clerk will post and distribute the resulting draft of the minutes to the congregation within 30 days of the meeting using the same methods employed before the meeting to announce and share meeting documents with the congregation. This draft will be labeled, “Review Draft – mm/dd/yy.”
4. **Comment Period** – Attendees of the meeting in question with voting privileges at said meeting may suggest corrections or emendations to the Clerk for a period of 60 days following the posting of said minutes. The Clerk and the people named in ‘Internal Review’ (#2) above will work together to resolve any discrepancies.
5. **Provisional Approval of Final Draft** – At the close of the Comment Period the Clerk will submit to the Board of Trustees at its next scheduled meeting the current copy of the minutes for their “provisional” approval.
6. **Posting of Final Draft** – The Clerk will post and distribute the resulting “final draft” of the minutes to the congregation within 10 days of the aforementioned Board of Trustees meeting using the same methods employed before the meeting to announce and share meeting documents with the congregation. This draft will be labeled, “Final Draft – Provisional Approval by the Board of Trustees on mm/dd/yy.”
7. **Final Approval** – Minutes of meetings will be placed on the agenda for approval at the next meeting of the congregation.

In situations where another congregational meeting that is NOT an annual meeting is followed by an annual meeting before the above process can be completed, the process will be abridged as necessary so that the minutes can be presented in their then current state for approval by the congregation. occurs before this process is complete, an affirmative vote by the congregation supersedes this process.

### **Policy J: Board Responsibility for Personnel Issues**

While most matters related to staffing should be handled by the Executive Director, there are situations where broader policy implications may exist or conflicts of interest may arise. Therefore the entire board will serve as a Personnel Committee when those situations occur.

After some more research, discernment, and discussion, the board will expand this policy to more specifically delineate the boundary between the ED's role and that of the board on personnel issues by the end of the 2017-18 church year.

### **Policy K: The Role of Past Presidents**

For three years after stepping down as President former holders of that office shall be considered *Past Presidents*.

In this board-defined role, Past Presidents will exercise the following rights and be bound by the following requirements.

- Past Presidents may be included in any and all conversations including Executive Sessions of board meetings, regardless of their sensitivity, at the discretion of the current President.
- Past Presidents will continue to be bound by the Board Members' Code of Conduct and all other strictures and guidelines imposed herein.

No other authority or privilege to Past Presidents except those listed above is granted or implied.

### **Policy L: Sponsorship of Seminary Students**

The Board of Trustees, recognizing the value of supporting individuals who aspire to ministry within the Unitarian Universalist Association, may vote to provide sponsorship of such individuals in accordance with the guidelines established by the UUA, based on the recommendation of the Minister. Such a vote of the Board should reflect confidence in the student's potential and suitability for ministry within our denomination. In the event of a disagreement between the Board and the Minister with respect to the appropriateness of the sponsorship, the Board's vote shall prevail.

## **III. Board-Executive Director Relationship**

*Notes: References to other policies need updating.*

### **Policy A: Delegation of Executive Authority**

Under a policy-based governance model, the Board of Trustees establishes governing policies, delegating implementation and subsidiary policy development to the Executive Director, the "Executive," of the church.

Under most circumstances, and according to our bylaws, the Interim or Called Minister is also the Executive Director.

As the board's official link to the operating organization of the church, the Executive Director is accountable for all organizational performance and exercises all authority transmitted into the organization by the board via the church's governing policies. Executive Director performance will be considered to be synonymous with the performance of the church.

Consequently, the Executive Director's job contributions can be stated as performance in three areas:

1. Accomplishment of organizational ends as stated in board policies.
2. Organization operation within the boundaries of prudence and ethics established in board policies on executive limitations.
3. Appropriate use and delegation of power.

The Executive Director reports to the Board and manages both professional staff and church volunteers as a collaborative team in the overall achievement of the church's values, mission, vision and other specified ends.

1. The Executive Director is authorized to establish all further policies, make all decisions, take all actions and develop all activities that are consistent with a reasonable interpretation of Board policies.
2. The Board may change its policies at any time. However, the Board will not use its policies to "micromanage" the Executive, and the Board will generally respect and support a reasonable interpretation of its policies by the Executive.
3. Only decisions of the Board acting as a body are binding on the Executive. Decisions or instructions of individual Trustees, officers, or committee members are not binding on the Executive or any other staff member, except when the Board has specifically authorized the exercise of such authority. Informal meetings may occur between Board members and the Executive or other staff members for the purpose of exchanging information and seeking advice, but not for Board members to give instruction or direction to the Executive. Further, the Board does not have authority in reference to the staff except as delegated through the Executive Director.
4. Should the Executive Director deem it necessary to violate board policy, the Executive shall inform the Church President. Informing is simply to guarantee no violation is intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the Executive Director from subsequent Board judgment of the action.
5. Executive Director authority does not extend to supervising, interpreting board policies to, or otherwise directing the Church President, individual trustees, or board subgroups regarding board policy. Nothing in this policy is intended to interfere with mutual interaction about individual understanding of policies. (See also Policy \_\_\_\_\_.)

## **Policy B: Monitoring Executive Director Performance**

Monitoring the performance of the Executive involves reviewing organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive

Limitations Monitoring will be as automatic as possible, using a minimum of board time so that board meetings can be used to create the future rather than review the past.

1. Simply stated, monitoring determines the degree to which Board policies are being met. Information that does not do this will not be considered to be monitoring.
2. A given policy may be monitored in one or more of three ways:
  - a. **Internal Report:** Disclosure of compliance information to the board from the Executive Director.
  - b. **External Report:** Discovery of compliance information by a disinterested external party (for example, auditor, inspector, consultant or counsel) who is selected by and reports directly to the board. Such reports must assess executive performance only against policies of the board, not the external party unless the board has previously indicated that party's opinion to be the standard.
  - c. **Direct Board Inspection:** Discovery of compliance information by a trustee, a board committee, or the board as a whole. This is a board inspection of documents, activities, or circumstances directed by the board and that allows a "prudent person" test of policy compliance.
3. Upon the choice of the board, any policy may be monitored by any method at any time. However, each Ends and Executive Limitations policy of the board will be classified by the board according to frequency and method of regular monitoring (see chart). As often as possible, these reports should be included in the board mailing for regularly scheduled board meetings so that trustees may thoroughly review them prior to the meeting.
4. The standard of compliance shall be "any reasonable interpretation" of the Board policy being monitored.
5. The Board will monitor the performance of the Minister in both his or her executive and ministerial roles. Performance reviews of church staff are the responsibility of the Executive.

Policy # and/or Name	Method	Frequency	Mechanism
<b>Minister's Interpretation of Ends Statements</b>	Internal	Annual – September	Minister's Report
<b>I. B:</b> Ends Statements (Program Outcomes)	Internal Report	Monthly	Minister's Report
	Internal Report (membership)	January & June	UUA membership report and Annual Meeting
	Direct Inspection	September	Part of Minister's Annual Review
<b>IV. A:</b> General Executive Constraint	Internal Report	September	Part of Minister's Annual Review
<b>IV. B &amp; C:</b> Staff/ Volunteer Treatment	Internal Report (staff changes)	Monthly	Minister's Report
	Direct Inspection	Annually (including grievance procedures)	Part of Minister's Annual Review

<b>IV. D:</b> Compensation and Benefits of Church Staff	Internal Report	Annually (May/June)	Part of the Budget review
<b>IV. E &amp; I:</b> Financial Planning and Facilities Planning	Internal Report	Oct, Feb, June	Minister's Report
	Direct Inspection	Annually	Bylaws Article 12: Financial Records Review-Annual Meeting
<b>IV. F:</b> Financial Condition	Internal Report	Monthly	Minister's Report
	Direct inspection	Annually	Bylaws Article 12: Financial Records Review-Annual Meeting
	External Report (Audit)	Every 3 Years	Plan an audit fiscal year 2017-18.
<b>IV. G:</b> Asset Protection (Conflict of Interest)	Internal Report	Annually	February
<b>IV. H:</b> Communication and Counsel to the Board	Direct Inspection	September	Part of Minister's Annual Review
<b>IV. K: Strategic Operational Plan</b>	Internal Report	November	Nov. check in to the Board
		May	May. Congregational Report Annual Meeting

### Policy C: Resolution of Policy Violations

If the Executive deems it necessary to violate a Board policy, or if the Executive otherwise becomes aware of a violation of Board policy, the Executive shall inform the Board as soon as reasonably possible. In such instances, the Board's operating assumption shall be that good faith decisions of the Executive deserve the Board's respect and consideration.

The board will pursue the following process in the event that it determines a policy violation has occurred. (See Policy \_\_\_\_.)

Step	Action
1	The Board will inform the Executive Director of the policy violation.
2	The Executive Director will submit to the Board a written plan to remediate the violated policy and present the plan for approval at the next board meeting.
3	If, after a specified period of time, the Executive has not corrected the policy violation, the Board will place written documentation of non-compliance on file.
4	If the policy violation continues, the Board may consider suspension and determine how to notify the congregation, the means of doing so, and the content of the communication.

5	If the problem is not resolved, the Board may take further action it deems appropriate, including but not limited to withholding salary increases, reduction in salary, terminating the appointment of an appointed Executive, rescinding its executive appointment of a called Minister, or recommending to the Congregation the dissolution of the called relationship of a Minister serving as Executive.
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**Policy D: Compensation for Called Ministers**

The Unitarian-Universalist Church of Nashua is committed to offering fair and competitive ministerial compensation to its called minister, based on applicable regional and national salary and benefit information. Those recommendations will be part of the consideration in setting the Executive's total compensation and benefits. The Board will also consider annual adjustments based on merit and on the cost of living as measured by the Consumer Price Index (CPI). The compensation and benefits of church staff will be set by the Executive.

**IV: Executive Limitations**

The Executive Director is responsible for managing the day-to-day activities of the Church to achieve the Church Ends. In so doing, the Executive Director is empowered to take whatever action he or she deems prudent except for those actions specifically prohibited here.

**Policy A: General Constraint**

The Executive Director shall not cause or allow any practice, activity, decision, or organizational circumstance that is imprudent, unlawful, in violation of commonly accepted business and professional ethics, in violation of the Church By-Laws, or which does not serve the Church’s mission.

**Policy B: Treatment of Church Members, Visitors, and Groups**

The Executive shall not cause or allow conditions or procedures that are unsafe, disrespectful, or unnecessarily intrusive to members, friends, or visitors, including children. Accordingly, the Executive shall develop and maintain a *Safe Congregation Policy* that formalizes and details the necessary systems, policies, and procedures to support this goal. The Board of Trustees will approve this policy and any changes, but implementation will be the responsibility of the Executive, except when issues arise that require Board involvement as noted in the policy itself.

The Executive shall not allow members of the congregation to be disconnected from the life and care of the Church.

The Executive shall not allow Church groups (committees, task forces, and other groups) to operate without his or her authorization and supervision.

## **Policy C: Treatment of Church Staff and Volunteers**

With respect to treatment of staff and volunteers, the Executive Director may not cause or allow conditions that are unsafe, inhumane, unfair, or unprofessional. Accordingly, the Executive Director may not:

1. Discriminate (as defined by city, state, and federal laws) among existing or potential staff or volunteers on other than clearly job-related criteria, individual performance, or individual qualifications.
2. Operate without written personnel policies that clarify procedures for staff.
3. Withhold from staff a due-process internal grievance procedure.
4. Prevent staff from grieving to the Church President when internal grievance procedures have been exhausted and the employee alleges either that
  - i. Board policy has been violated to the employee's detriment, or
  - ii. Board policy does not adequately protect the employee's human rights.
5. Allow the Church's at-will employment policies to be jeopardized (see Policy D-3-ii).

## **Policy D: Compensation and Benefits of Church Staff**

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Executive Director may not cause or allow jeopardy to fiscal integrity or public image. Accordingly, the Executive Director may not:

1. Promise or imply permanent or guaranteed employment.
2. Establish current compensation and benefits that:
  - i. Deviate materially from applicable UUA "Fair Compensation Guidelines" for employees working 750 hours or more annually (pro-rated by percentage of full-time worked), absent legitimate articulated reasons.
  - ii. Create obligations over a term longer than revenues can be safely projected.

## **Policy E: Financial Planning and Budgeting**

With respect to planning fiscal events, the Executive Director may not jeopardize either the programmatic or fiscal integrity of the Church. Accordingly, the Executive Director shall not allow the Church to:

1. Operate without the guidance of an annual operating budget, derived from a multiyear plan, that conforms to the Board's Ends and has been reviewed and approved in accordance with the By-Laws;
2. Cause or allow financial planning or budgeting for any fiscal year or remaining part of a fiscal year that:
  - i. Contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions,

- ii. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period, absent legitimate articulated reasons, or
  - iii. Does not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over \$5,000 each;
- 3. Operate without a liquid operating reserve of two months of operating expenses to cover unanticipated expenses, unless otherwise approved by the Board;
- 4. Deviate from the following strictures on operating reserve when preparing the annual budget:
  - i. If the operating reserve at the end of the current fiscal year is projected to be less than 2 months of operating expenses (1/6 annual budget), the following year's budget must be balanced;
  - ii. If the operating reserve at the end of the current fiscal year is projected to be less than 1 month of operating expenses (1/12 annual budget), the following year's budget must provide for a replenishment of operating reserves by at least 1 week of operating expenses (1/52 annual budget);
- 5. Operate without a 20-year facilities maintenance/replacement plan and restricted replacement reserve fund;
- 6. Fail to budget for the Church's requested Annual Program Fund contribution to the Unitarian Universalist Association and the local District (previously know as our "Fair Share").

**Policy F: Financial Condition and Management**

With respect to the Church’s actual, ongoing financial condition and activities, the Executive Director shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures and income from the annual budget approved by the Congregation or Board priorities established in the *Ends Policies*.

Accordingly, the Executive Director:

- 1. Shall not shift, adjust, or reassign any budget lines or categories to other purposes exceeding 2% of the total budget during the fiscal year without the agreement of the Board;
- 2. Shall not shift, adjust, or reassign any budget lines or categories to other purposes exceeding \$2,000 for a single purpose without notifying the Board;
- 3. Shall not operate without written policies guiding the prudent investment of Church operating reserve funds as described in Policy E-3 & 4 above.
- 4. Shall not operate without adequate accounting controls and procedures that are maintained and documented;
- 5. Shall not allow annual operating expenses to exceed 105% of the budget without the agreement of the Board;
- 6. Shall not have signature authority for checks greater than \$4,999.99 and at no time shall they sign



- checks to himself, relatives closer than first cousins, or parties with a conflict of interest;
7. Shall not delegate signature authority to anyone other than a permanently hired Church Administrator who shall not have signature authority for checks greater than \$1,999.99 and at no time shall they sign checks to himself, relatives closer than first cousins, or parties with a conflict of interest;
  8. Shall not assume any long-term indebtedness without Board approval;
  9. Shall not undertake transactions exceeding \$10,000 without seeking multiple bids or cost comparisons;
  10. Shall not enter into any purchase or service contract exceeding \$25,000 without prior Board approval;
  11. Shall not acquire, encumber, or dispose of real property without prior Board approval;
  12. Shall not spend or borrow Endowment funds without prior Board approval; or
  13. Shall not plan for annual Endowment outlays of more than the “prudent withdrawal amount” percentage, as determined by the Board, of the Endowment fund balance.
  14. Shall not permit expenditures from the Building Maintenance Fund without approval by the Board of Trustees in accordance with the need for expediency as listed below. Recognizing that various degrees of urgency may accompany a request to use reserve maintenance funds, the following criteria shall be used to determine the sequence to be implemented.
    - i. A Routine request will be acted upon during the Board’s next regularly scheduled meeting.
    - ii. Upon receiving an Urgent request, one that requires a timely response, the Board shall make every attempt to act on that response within 24-48 hours.
    - iii. A Catastrophic request, one that requires an immediate, concerted response to prevent additional grave problems from developing, will require approval by at least two of the following three: the President, the Executive Director, or the Treasurer. A report of this request and any expenditures approved in this manner shall be sent to the Board within 24 hours of its receipt.

### **Policy G: Asset Protection**

With respect to proper stewardship of the Church’s assets, the Executive Director may not risk losses beyond those necessary in the normal course of business. Accordingly, the Executive Director shall not:

1. Fail to insure against corporate liability and personal liability of board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to New Hampshire non-profit organizations;
2. Risk the nonprofit status of the Church;
3. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits;
4. Allow unbonded personnel access to material amounts of funds;
5. Subject plant and equipment to improper wear and tear or insufficient maintenance.
6. Allow Church facilities, the name of the Church, its banner, logo, or its website to be used by

groups and individuals in ways not consistent with the Ends Policies.

7. Receive, process, or disperse funds under controls insufficient to meet the Board appointed auditor's standards, other governmental standards, or regular business standards and practices; Make any purchases not provided for in either the capital expenditure or operational projections.
8. Purchase goods or services without reasonable protections against conflict of interest, without appropriately soliciting comparative prices, bids, or proposals, or without balancing reasonable factors such as cost, benefit, and quality (see Policy F).

#### **Policy H: Communication and Support to the Board**

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

Accordingly, the Executive Director shall not:

1. Fail to submit timely, accurate, and comprehensible Board policy monitoring reports as requested and scheduled by the Board;
2. Allow the Board to be uninformed of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board, regardless of the Board's monitoring schedule;
3. Fail to advise the Board if, in the Executive's opinion, the Board is not in compliance with the Bylaws or its own policies, or if the Executive considers the Board to be acting to the detriment to the relationship between the Board and the Executive;
4. Fail to supply for the Board's consent agenda all items delegated to the Executive that are to be Board-approved, along with the minimum amount of supporting data necessary to keep the Board informed;
5. Fail to ensure that a complete and current set of all Board and Executive policies are readily accessible to all Church members at all times;
6. Fail to inform the Board in a timely manner of relevant trends, public policy initiatives, public events of the organization, and material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established;
7. Fail to gather sufficient staff and external points of view, issues, and options, as needed for fully informed Board decisions;
8. Fail to limit public statements about the official position of the Congregation or Board on controversial social, political, and/or Congregational issues to what the Congregation or Board has formally and explicitly adopted as positions of record (nothing in this policy shall be construed to infringe upon the fundamental principle of freedom of the pulpit); or
9. Fail to prepare, implement, and share with the Board, within three months of the annual Executive Director evaluation, individual professional development plans that respond to the evaluation.

## **Policy I: Facilities Planning**

In guiding the Church's facilities planning, the Executive Director shall not fail to:

1. Be governed by the Church's Ends Policies;
2. Respect the history and heritage of our Church and faith;
3. Communicate regularly with all of the stakeholders, as appropriate, about plans regarding facilities; or
4. Be mindful of the needs of the stakeholders of all ages and abilities when making facilities changes.

## **Policy J: Fundraising**

The Executive Director shall not allow unauthorized fundraising activities on behalf of the Church. Accordingly, the Executive Director shall not:

1. Allow unauthorized individuals and groups to apply for grants on behalf of the Church from outside funding agencies; or
2. Allow fundraising activities by individuals and groups that do not adhere to consistent and accessible fundraising guidelines.

## **Policy K: Strategic Operational Plan**

The Executive Director shall not allow the Church to operate without a 3-5 year operational plan for advancing the Mission and Ends Statements.

## **Policy L: Acceptance of Restricted Donations**

With respect to proper stewardship of the Church's assets and respect for donor wishes, the Executive Director shall not fail to ensure that funds donated to the church for a specific purpose are expended toward that purpose for maximum impact as soon as practicable. The Executive Director shall not fail to encourage donors who desire to provide capital that will generate income for the church in-perpetuity to donate to the church's unrestricted endowment.

## **Policy M: Preschool Delegation of Authority**

The Board of Trustees delegates management and oversight of the preschool operated by the church to the Executive Director (ED). Given the complexity involved in running a preschool, the Board authorizes the ED to further delegate to subordinate staff, teams, or boards as necessary. Any existing structures or governing bodies hereby become the responsibility of the ED who has the authority to oversee or change those structures or governing bodies as necessary.

**Policy N: Members May Not Become Employees of the Church**

The Executive Director shall not allow members of the church, except youth, to be hired as employees of the church. This restriction will not preclude members from temporarily filling staff roles on an as needed basis.

# Change Log

*All changes were approved by the Board of Trustees on the date indicated. The change and a brief background is provided for context only. Nothing in this change log should be considered policy.*

**Section I: Policy A – Mission [Mar 9, 2015]** — As we began reading our mission aloud more routinely it became clear that the forward slash (“/”) between personal and spiritual was problematic. The phrase “personal / spiritual” was therefore changed to “personal and spiritual.”

*~ David Hudson, President*

**Section IV: Policy F – Financial Condition and Management [Oct 13, 2015]** — In conversations with the Executive Director (ED), the board agreed that it would be prudent to give the ED some discretion to reassign budgeted funds during the church year as situations arose or needs changed. Accordingly the board approved the insertion of two new limitations (now IV.F.1 and IV.F.2) setting limits on how much money could be moved between budget lines or categories.

*~ David Hudson, President*

**Section II: Policy G – Board Covenant [Dec 14, 2015]** — The section on face-to-face communication was expanded by unanimous consent to allow for remote access, participation, and voting. The previous language had historically been interpreted to mean that we could only conduct votes when we were together in person. Advances in communication technologies and changing sentiments on the board opened us to the possibility of alternatives. Two examples were cited during our discussions. (1) There was a meeting in winter 2015 during a snowstorm, that we conducted online, but everyone felt obligated to formally repeat every motion at our next face-to-face meeting. (2) Two of our members missed meetings in the fall of 2015 that they would have been able to dial in to, had that been an option.

*~ David Hudson, President*

**Section I: Policy E – Primary, Secondary & Tertiary Stakeholders [Mar 14, 2016]** — Under Primary Stakeholders “voting members” was replaced with “members” to acknowledge that we consider all of our members primary stakeholders. Under Primary Stakeholders the board added “future generations” to intentionally remind us to be mindful that we are but temporary stewards in what we hope will be a long line of successive stakeholders. Under Secondary Stakeholders New England Regions of the Unitarian Universalist Association” was added to reflect the UUA’s nationwide shift to regions instead of districts.

*~ David Hudson, President*

**Section IV: Policy F – Financial Condition and Management [Aug 25, 2016]** — In response to a June 2016 Bylaws change that gave the Executive Director signature authority and in consultation with the current ED, the board set some limitations on the extent of said signature authority and the extent to which said authority could be delegated further. Accordingly the board approved the insertion of two new limitations (now IV.F.6 and IV.F.7) setting those limits and terms.

*~ David Hudson, President*

**Section IV: Policy K – Strategic Operational Plan [Sep 13, 2016]** — This new policy grew out of a review of the monitoring table contained in III.B conducted by two members of the board and the Executive Director. The group recommended the creation and monitoring of such a plan.

*~ David Hudson, President*

**Section III: Policy B – Monitoring Executive Director Performance [Sep 13, 2016]** — The monitoring table at the end of this section was revamped after a review conducted by two members of the board and the Executive Director.

*~ David Hudson, President*

**Section II: Policy G – Board Members’ Code of Conduct [Oct 11, 2016]** —The Executive Director had previously approved a new church policy requiring confidentiality agreements for various individuals throughout the congregation who might become privy to sensitive information. When asked to sign those agreements the board raised concerns in being bound by a policy nested below its own policies. While the new church policy would apply to Board members in their

other roles throughout the congregation—as congregants, team members, etc.—the Board felt that any confidentiality strictures placed on them should exist in their own policies. The Board believed that its members had always understood and respected the confidential information it became privy too, however the Board agreed that adopting a formal confidentiality clause would be prudent. Accordingly the paragraph of the Board Covenant that begins, “**Maintain the highest levels of confidentiality...**” was added.

~ David Hudson, President

**Section IV: Policy B – Treatment of Church Members, Visitors, and Group [Oct 11, 2016]** — With the Safe Congregations Task Force’s submission of (and board’s subsequent approval of) a Safe Congregations Policy (SCP), the Board wanted to reference the SCP in its own policies and clarify guidelines for approval, modification, and implementation of the SCP.

~ David Hudson, President

**Section IV: Policy L – Acceptance of Restricted Donations [Nov 8, 2016]** — The conversation about this policy was begun in spring 2015, but tabled at that time. The discussion, then and now, centered around two key points. (1) It is often very hard for the church to manage gifts accompanied by special requirements. Take, for example, the scholarship fund that formally ended in 2015 although it had long been adrift and unmanaged. The hope is that future gifts to the church with provisions that cannot be readily fulfilled by existing structures or procedures be turned over to some third party organization capable of satisfying the terms of the gift. Further, if the church will be fulfilling the request, the goal is to do so as quickly as possible to avoid ongoing commitments. (2) The board hopes future donors strongly consider giving to the church’s unrestricted endowment where the funds can be used by future generations with maximum flexibility.

~ David Hudson, President

**Section II: Policy H – Invested Funds Committee [Nov 8, 2016]** — The board had been working for several months to draft policies formalizing our relationship with the Invested Funds Committee (IFC). After several iterations, the board was able to approve II.H.2 codifying UUCN’s investment strategy.

~ David Hudson, President

**Section II: Policy H – Invested Funds Committee [Jan 10, 2017]** — The board was able to review and approve the second half of its Invested Funds Committee policies. This half, the establishment policy, lays out the mission, membership, and operation of the committee.

~ David Hudson, President

**Section II: Policy I – Approval of Minutes for Congregational Meetings [Jun 13, 2017]** — Traditionally minutes of meetings are not circulated until they are approved the next time that body meets. Unfortunately, for meetings of the congregation this means that a year typically passes before anyone sees the minutes of our annual meetings. This policy creates a draft and review process which allows for minutes to be distributed in a much more timely fashion.

~ David Hudson, President

**Section II: Policy H – Invested Funds Committee [Jun 13, 2017]** — In response to some questions and concerns raised during the annual meeting the board approved two changes to the establishment policy. The first mandates that IFC members pass a background check, and the second commits committee members to accepting the fiduciary responsibility placed in their hands.

~ David Hudson, President

**Section IV: Policy M – Preschool Delegation of Authority [Sep 12, 2017]** — Given that language delegating authority over the preschool to the ED is best situated in policy, such verbiage was removed from the bylaws at the June 2017 annual meeting. This policy, therefore, reestablishes the ED’s management and oversight authority over the preschool.

~ David Hudson, President

**Section II: Policy J – Board Responsibility for Personnel Issues [Oct 10, 2017]** — The ED advised the board that she believes it might be more prudent for the board to assume some personnel-related duties instead of relying on a group of congregants that report to the ED. The board discussed several scenarios where this might make sense at its September meeting. The board needs to do more discernment on how best to frame its role, but wanted to acknowledge that it does see some a place for itself.

~ David Hudson, President

**Section IV: Policy N – Members May Not Become Employees of the Church [Dec 12, 2017]** — Given the complexity for all involved of navigating the many challenges associated with dual roles (member and employee), the board decided that we are best served by filling staff positions with third parties who would not have to face those challenges.

~ David Hudson, President

**Section IV: Policy D – Compensation and Benefits of Church Staff [Mar 13, 2018]** — As part of a routine review of this policy with the Executive Director, it became clear that there are occasions when it is prudent to enter into compensation agreements longer than one year. The board felt the first part of the sentence in IV.D.2.ii was sufficient and voted to strike the following clause from the end of the sentence, “in no event longer than one year and in all events subject to losses of revenue.”

~ David Hudson, President

**Section II: Policy K – The Role of Past Presidents [Mar 13, 2018]** — Given that past presidents can serve a valuable advisory role and that some issues before the board can span presidencies, the board wanted to allow itself the ability to discuss issues, even those of a sensitive nature, with past presidents. Our bylaws allow for a one-year consultation period, but the board felt a longer term was prudent and wanted to be clear that it extended to any matter before the board. Finally, the board wanted to be clear that any request for counsel would be at the discretion of the current president. Going forward, it may make sense to remove the reference to past presidents in the bylaws, leaving the role defined in policy.

~ David Hudson, President

**Section II: Policy L – Sponsorship of Seminary Students [Oct. 11, 2018]** — Recently the Board received two requests from congregants who aspire to ministry. We now need a policy to determine whether and how to sponsor these individuals and others in future.

~ Jodie K. Holway, Clerk

**Section IV: added to Policy F – Subsection about the Building Maintenance Reserve Fund [Nov. 1, 2018]** — The Board considered creating a blanket policy for accessing the various reserve funds, however the situations are too varied to be unified. We created a policy over the Building Maintenance fund alone, and inserted it at the end of the section. Note the Property Committee is not specifically mentioned, because policy should not presuppose the continued existence of today’s team structure in organizational matters.

~ Jodie K. Holway, Clerk

**Section IV: added to Policy F – Clarified that each bullet is a “Shall Not” [Dec. 6, 2018]** — The Board clarified the wording of this section, by removing the words “shall not” from the introductory sentence and adding them to each bullet in this section.

~ Jodie K. Holway, Clerk

**Section I: revised Policies A, B, C – New Mission, Ends, and Values [Oct. 15, 2019]** — The congregation adopted new Values, Mission, and Ends statements this past summer, and these Policies are now reflected in this document, replacing our prior statements.

~ Jodie K. Holway, Clerk