

Governing Policies First Unitarian Universalist Congregation of Ann Arbor, Michigan Board of Trustees

Last revised and approved by the Board of Trustees: 2/16/2016

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INTRODUCTION

The First Unitarian Universalist Congregation of Ann Arbor (UUAA) is governed by our Bylaws and a system of policy-based governance. Governance is shared between the Congregation, the elected Board of Trustees (the Board) and the called Senior Minister/CEO (The Executive). Policy based governance requires that the Board of Trustees define the results to be achieved by the congregation (the “Ends”), and define what would be considered unacceptable in terms of ethics and prudence (Executive Limitations). This Governing Policies document provides these definitions for UUAA.

SECTION 1: ASPIRATIONS

(the “Ends” we strive to achieve)

The “Ends” we work toward, the aspirations of the UUAA Congregation, are best stated in the Core Values the Congregation adopted in 2011.

UUAA CORE VALUES

The First Unitarian Universalist Congregation of Ann Arbor, MI (UUAA) has been deeply committed to liberal religious thought and action since 1865. We join together in community to encourage and inspire each other's spiritual journeys, to honor and care for the natural world around us, and to join forces in furthering social justice, in order to make a difference in the world.

Spiritual Life

We find inspiration, renewal, and challenge in worship services. Children, youth and adults are enriched by classes and programs that expand religious understanding and nurture spiritual growth rooted in Unitarian Universalist traditions and values.

We actively support Members of this congregation in their journeys toward spiritual growth and self-knowledge.

We gather in worship to share the power of collective spiritual experience.

Social Justice and Environmental Action

We live our beliefs by creating, sustaining, and enhancing programs that actively engage congregants of all ages in projects that promote peace, justice, and positive environmental action locally and beyond.

This congregation acts in concrete and substantial ways to promote social and economic justice in the larger community.

This congregation acts in concrete and substantial ways to protect the natural environment.

This congregation participates in programs that promote peace and understanding in the world.

Community

We create and foster community by providing an intentionally welcoming and safe environment where all feel valued and cared for, and where all are given opportunity to form meaningful connections with one another. We foster a climate of purposeful inclusion of all. We cherish the diversity of gender, age, race, ethnicity, national origin, range of abilities, sexual orientation, gender identity, financial means, education, and political perspective. We live together in peace, search for truth in love, and help one another.

We welcome all who enter into this religious community in which Members and friends both value and respect their differences and support and care for one another.

We actively reach out to our surrounding communities to offer our salvific message of the power of love and to offer a place in our religious community to all who share UU values and beliefs.

Stewardship

We are all active stewards, serving our congregation and pursuing our ministries through prudent and creative use of our resources, whether physical, environmental, financial or human. We show respect and care for our beautiful building and grounds, for our staff, and for one another. We cultivate right relationships among Members of this congregation and with the wider world.

Members and staff of this congregation share and make prudent and creative use of the resources that are available to them in service to the work of the congregation.

Culture

We are nourished by the culture that has evolved in this congregation throughout our rich liberal religious heritage in Ann Arbor, a culture rooted in our core belief in the inherent worth and dignity of every individual. We learn and grow from our differences. We value our connections, past, present and future, to the Unitarian Universalist world network.

Members of this congregation are supported in substantial ways to live our values and principles, to learn and grow from our differences, to value our history, to participate in regional, national and international Unitarian Universalist programs and to promote awareness of Unitarian Universalism in the wider community.

SECTION 2: EXECUTIVE LIMITATIONS

2.0 Global Executive Constraint

The Executive shall not fail to further the Core Values of this congregation provided in Section 1.

2.1. Treatment of Congregants (members, friends, and visitors)

2.1.1 With respect to interactions with congregants, the Executive shall not cause or allow conditions or practices that are unsafe, unnecessarily intrusive, disrespectful, or that fail to provide appropriate confidentiality or privacy

2.1.2 The executive shall not fail to provide and maintain mechanisms for communication of congregation activities, actions, and information to and among congregants.

2.2 Treatment of Staff

With respect to the treatment of paid and volunteer staff, the Executive shall not cause or allow conditions or practices that are unsafe, unclear, disrespectful or unprofessional.

Accordingly, the Executive shall not:

2.2.1 Operate without written personnel rules which: (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism, grossly preferential treatment for personal reasons, or discrimination as prohibited by law or based on sexual orientation.

2.2.2 Discriminate against any staff member for non-disruptive expression of dissent.

2.2.3 Prevent staff from grieving to the board when (A) internal grievance procedures have been exhausted or (B) the employee alleges that board policy has been violated to his or her detriment.

2.2.4 Fail to acquaint staff members with the Executive's interpretation of their protections under this policy.

2.2.5 The senior minister shall not fail to provide the staff with opportunities for professional growth and development appropriate to their mission in the congregation.

2.3 Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants, and contract workers, the Executive shall not cause or allow jeopardy to fiscal integrity and shall not fail to strive for fair compensation.

Accordingly, the Executive shall not:

2.3.1. Promise or imply permanent or guaranteed employment.

2.3.2. Establish current compensation and benefits that deviate materially from the geographic or

professional market for the skills employed.

2.3.3. Change his or her own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

2.3.4. 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.

2.3.5. Establish or change benefits so as to cause unpredictable or inequitable situations, including those that:

2.3.5.a. Incur unfunded liabilities.

2.3.5.b. Provide less than a basic level of benefits to all regular employees, though differential benefits to encourage longevity are not prohibited.

2.3.5.c. Allow any employee to lose benefits already accrued from any foregoing plan.

2.4. Financial Planning and Budgeting

Financial planning for any fiscal year or the remaining part of any fiscal year shall not risk financial jeopardy nor deviate materially from the congregation's By-Laws, the Board's Ends priorities, the annual budget or the Long Range Plan. Accordingly, the Executive shall not allow budgeting which:

2.4.1. Fails to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, integrity of accounts, and disclosure of planning assumptions.

2.4.2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

2.4.3. Provides less for Board prerogatives during the year than is set forth in the Cost of Governance Policy.

2.4.4. Fails to include a repayment plan for loans from congregational endowments.

Further, the Executive shall not fail to show the Board the proposed budget for its approval, showing the full level of detail at which the budget has been prepared.

2.5. Financial Condition and Activities

With respect to the congregation's actual, ongoing financial condition and activities, the Executive shall not cause or allow the development of financial jeopardy or a material deviation of actual expenditures from Board priorities established in Ends Policies, the annual budget, or the Long Range Plan. Accordingly, the Executive shall not:

2.5.1. Fail to comply with any Board approved Financial Policy or Bylaw.

2.5.2. Indebt the congregation or use unrestricted reserves in an amount greater than can be repaid by normal cash flow variations in revenue anticipated within the next 60 days or the end of the Fiscal Year, whichever comes first.

2.5.3. Use or borrow any long term, dedicated reserves or accounts, including endowment funds, or any budgeted contingency fund, unless authorized by the Board to do so.

2.5.4. Fail to settle payroll and accounts payable in a timely manner.

2.5.5. Fail to anticipate and plan for seasonal changes in cash flow.

2.5.6. Conduct line item shifting in amounts that deviate materially from the approved budget.

2.5.7. Commit to expenses of a future fiscal year budget without approval from the Board.

2.5.8. Acquire, encumber or dispose of real property.

2.5.9. Fail to pursue receivables, including pledges, after a reasonable amount of time, nor fail to report to the Board with regard to such receivables.

2.5.10. Fail to monitor gifts and bequests received according to the guidelines and policies established by the Board.

2.5.11. Fail to inform the Board with respect to the use of monies from gifts and bequests, or fail to consult with the Board before any decision is made to use an amount which is more than 1% of the current operating budget.

2.5.12. Fail to establish procedures and controls that meet generally accepted standards for receiving, processing, or disbursing funds. This includes handling of vendor billing and payment.

2.6. Asset Protection

The Executive shall not allow the congregation's assets and property to be unprotected, inadequately maintained, or unnecessarily risked. To this end, the Executive shall not:

2.6.1 Fail to consider, and to report to the Board on investing and maintaining congregational funds in socially responsible ways.

2.6.2 Fail to develop and implement policies for building usage, by members, staff and by others, including fund-raising events, that are consistent with the congregation's Mission, and the Board's strategic goals, that give priority to use by Members and staff, and that protect the integrity and cleanliness of our buildings and total acreage, including our prairie, Memorial Garden, Sweat Lodge, Outdoor Worship area, well and septic field.

2.6.3 Fail to develop and implement policies that permit the fullest practical use of the building and grounds by persons with different physical abilities.

2.6.4 Fail to develop and implement policies and procedures for reviewing, approving and reimbursing expenses incurred by Members and staff on behalf of the congregation.

2.6.5 Permit use of congregational funds or accounts in any manner that endangers the congregation's tax-exempt, not-for-profit status under federal and state laws.

2.7 Grants and Contracts

The Executive may not enter into any grant or contract arrangement on behalf of the congregation that fails to realize the production of Ends or that involve unacceptable means. Accordingly, the Executive shall not:

2.7.1. Fail to inform the Board with sufficient prior notice of any plan or decision to solicit or terminate a grant or contract that will have a significant impact on programs or that will be in effect for more than year.

2.7.2. Fail to adequately assess the qualifications and capacity of a grantor or contractor to fulfill their responsibilities as identified in a grant or contract.

2.7.3. Fail to administer a grant or contract in a business-like manner that will avoid the appearance of favoritism and/or nepotism.

2.8 Gift Acceptance

The Executive shall not accept any gift with restrictions that are contrary to the standards of the congregation's Mission, Ends, and/or Unitarian Universalist Principles .Accordingly, the Executive shall not:

2.8.1 Fail to direct undesignated, unexpected gift income into the appropriate accounts.

2.8.2 Fail to invest the gifts and bequests in liquid, short-term investments as appropriate.

2.8.3 Fail to discourage any restricted gift with the exception of improvement projects approved by the Board.

2.8.4 Fail to create and review with the Board a list of approved improvement projects.

2.8.5 Fail to direct donors or prospective donors to the approved list.

2.9 Communication and Support to the Board

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

Accordingly, the Executive shall not:

2.9.1. Neglect to submit monitoring data required by the board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.

2.9.2. Fail to advise the board if, in the Executive's opinion, the board is not in compliance with its own policies on Governance Process and Board-Executive Linkage, particularly in the case of board behavior which is detrimental to the work relationship between the board and the Executive.

2.9.3. Fail to provide a mechanism for official board, officer or committee communications.

2.9.4. Fail to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.

2.9.5. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.

2.9.6. Fail to supply for the consent agenda all items delegated to staff yet required by law or contract to be board-approved, along with the monitoring assurance pertaining thereto.

2.10 Executive Absence

To prevent loss of Executive services, the Executive will not fail to have at least one staff person sufficiently familiar with Board and Executive issues and processes to enable that person to take over with reasonable proficiency as an interim successor.

2.11 Executive Well-Being

The Executive shall not fail to provide adequately for his or her well-being and spiritual care.

SECTION 3: BOARD GOVERNANCE

3.0 Purpose of the Board of Trustees

The purpose of the Board of Trustees of the First Unitarian Universalist Congregation of Ann Arbor is to govern on behalf of the Members of the congregation through written policies to (a) see to it that the congregation's resources are expended to further the aspirations articulated in those written policies, (b) to achieve appropriate results at an appropriate cost, and (c) to avoid unacceptable actions.

3.1 Governing Principles

The Board will govern with emphasis on:

- the seven Unitarian Universalist Principles,
- outward vision,
- open and candid deliberations,
- collective rather than individual decisions,
- shared responsibility for decisions,
- spiritual and strategic leadership more than administrative detail,
- clear distinction of Board and Executive roles,
- the future while learning from the past and present.

Accordingly,

3.1.1. The Board will cultivate a sense of group responsibility. The Board, not the Executive, will be responsible for excellence in governing. The Board will use the expertise of individual Members to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values. The Board will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.

3.1.2. The Board will govern and inspire the congregation and direct the Executive through the careful establishment of broad written policies reflecting the congregation's values and the desired Ends to be achieved and the means to be avoided. The board's major policy focus will be on the desired Ends, not on the administrative or programmatic means of attaining those Ends.

3.1.3. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. In accordance with this discipline, the board will address a topic or issue only after it has answered these questions:

- Whose issue is this, Executive or Board? Is the issue about Ends or Means? If it is about Means, does the issue affect Ends in a significant way? If so, then the board will determine the broadest way to address the issue so that it is still under existing board policy
- Has the board dealt with this subject in a policy? If so, what has the board already said on this subject? How is this specific issue related? If the board has already addressed the matter, does the board wish to change what it has already said?

3.1.4. Continued Board development will include orientation of new Board Members in the Board's governance process.

3.1.5. The Board will monitor and discuss the Board's own process and performance at each board meeting. The board will regularly discuss process improvements and implement those improvements as needed.

3.2 Board Job Description

The Board is elected by Members of the Congregation to represent them in determining and demanding appropriate organizational performance. Accordingly,

3.2.1 The Board is the link between the Executive and the congregation.

3.2.2 The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.

3.2.2.a Ends: The difference we make in the world.

3.2.2.b Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which executive activity and decision must take place.

3.2.2.c Board Governance: Specification of how the Board conceives, carries out, and monitors its own task.

3.2.2.d Board-Executive Linkage: How authority is delegated and its proper use monitored.

3.2.3 The Board will ensure that Executive performance is in compliance with the Ends and Executive Limitations policies.

3.3 Annual Work Plan

The Board will develop and follow an annual work plan, in alignment with the UUAA strategic plan. The Board President will report on progress toward this plan at Congregational Meetings. The Annual Work Plan:

3.3.1 Re-explores Ends policies (our core values) and strategic goals with congregants and lay-leaders in regular dialogue,

3.3.2 Systematically monitors and reviews Board policies including those set forth in the Board-Executive Linkage

3.3.3 Provides education and enrichment opportunities that enhance Board performance, and

3.3.4 Provides education and communication to enhance the congregation's understanding of the governance and financing of UUAA.

3.4 Role of the President

The President ensures the integrity of the Board's process and represents the Board to congregants, staff and outside parties. Accordingly,

3.4.1. It is the responsibility of the President to ensure the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

3.4.1.a. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the Executive.

3.4.1.b. Deliberations will be fair, open, and thorough but also timely, orderly, and kept to the point.

3.4.2. The authority of the President consists in making decisions that fall within the policies in Board Governance and Board-Executive Linkage, except where the Board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions in these policies.

3.4.2.a. The President shall preside at all business meetings of the congregation.

3.4.2.b. The President is empowered to chair Board meetings, with all the commonly accepted authority of that position.

3.4.2.c. The President, as an individual, has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the President, as an individual, has no authority to supervise or direct the Executive.

3.4.2.d. The President may represent the Board to outside parties in announcing Board-stated positions and in stating the President's own decisions and interpretations within his or her authority.

3.4.2.e. The President may delegate this authority to another Board Member, but remains accountable for its use.

3.5 Board Members' Code of Conduct

The Board Members commit to ethical and lawful conduct, including proper use of authority and appropriate decorum when acting as Board Members. Accordingly,

3.5.1 Members will disclose their involvement with other organizations, with vendors, or with any other associations that might produce a conflict of interest.

3.5.2 Members must represent unconflicted loyalty to the interests of the congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board Member acting as a consumer of the congregation's services.

3.5.3 Members must avoid conflict of interest with respect to their fiduciary responsibility.

3.5.3.a There must be no self-dealing or any conduct of private business or personal services between any Board Member and the congregational staff except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.

3.5.3.b When the Board is to decide upon an issue about which a Board Member has an unavoidable conflict of interest, that Member shall absent herself or himself from not only the vote but also from the deliberation by leaving the meeting.

3.5.3.c Board Members must not use their positions to obtain employment by UUA for themselves, family Members, or close associates. Should a Member of the Board desire employment, he or she must resign from the Board before applying.

3.5.4 Board Members may not attempt to exercise individual authority over the organization except as explicitly set forth in the Board policies.

3.5.4.a Members' interaction with the Executive or with staff must recognize the lack of authority vested in individuals except when explicitly Board-delegated.

3.5.4.b Members' interactions with public, 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.

3.5.4.c Members will not express or act on their individual judgments of the Executive or staff performance outside of the Board.

3.5.5 Members will respect the confidentiality appropriate to issues of a sensitive nature.

3.6 Board Committee Principles

The Board may establish committees to help carry out its responsibilities. Committees will be used sparingly to preserve the Board functioning as a whole, and will not interfere with delegation from Board to Executive. Accordingly:

3.6.1 Board committees are to help the Board do its job, not to instruct or direct 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.

3.6.2 Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.

3.6.3 Board committees cannot exercise authority over staff.

3.6.4 Board committees are to avoid over-identification with the organizational parts rather than the whole. Therefore, a board committee which has helped the board create policy on some topic will not

be used to monitor organizational performance on that same topic.

3.6.5 Committees will be used sparingly and ordinarily in an ad hoc capacity.

3.6.6 This policy applies to any group which is formed by board action, whether or not the group includes board Members.

3.7 Cost of Governance

The Board will invest in its governance capacity. Accordingly,

3.7.1. Board skills, methods, and support will be sufficient to assure governing with excellence.

3.7.1.a. Training and retraining will be used to orient new and prospective Board Members, as well as to maintain and increase existing Member skills and understandings.

3.7.1.b. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to fiscal audit.

3.7.2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability,

3.7.2.a. For training, including attendance at conferences and workshops.

3.7.2.b. For audit and other third-party monitoring of organizational performance.

3.7.2.c. For surveys, focus groups, opinion analyses, and meeting costs.

3.8 Consent Agenda

The consent agenda is intended to streamline the process for approval of regular, routine issues that come before the board. The consent agenda groups together routine matters such as meeting minutes, factual reports, routine document updates and General Assembly delegate appointments under one agenda item. Items included in the consent agenda require no discussion before voting and are all approved in one vote.

The president determines whether an item belongs on the consent agenda. The president prepares a list of the consent agenda items as part of the meeting agenda. The list and supporting documents are included in the board's agenda package in sufficient time to be read by all Members prior to the meeting.

An item may be removed from the consent agenda and added to the regular agenda for separate discussion at the request of a board Member for any reason other than for questions of clarification. If a board Member has a question of clarification about an item that appears on the consent agenda that clarification must be requested before the meeting. An item will not be pulled from the consent agenda just to have a question answered.

3.8.1 At the beginning of the meeting, the president asks board Members what items they wish to have removed from the consent agenda and discussed individually. Members may request that an item be removed for any reason other than for clarification of a question.

3.8.2 If any Member requests that an item be removed from the consent agenda, it must be removed. A request to remove an item from the consent agenda requires neither a second nor a vote by the board.

3.8.3 If an item is removed from the consent agenda, it will be placed on the regular agenda to be discussed and acted upon as a separate agenda item later in the meeting.

3.8.4 Immediately following the opportunity to remove any items for separate discussion, the consent agenda is moved and approved as a set.

3.8.5 When preparing the minutes, the Secretary includes the full text of the resolutions, reports or recommendations that were adopted as part of the consent agenda.

3.9 Complaint Handling Process

The Board of Trustees will use the following process to address any policy related inquiry submitted by a Member of the congregation.

3.9.1 A board member who receives a complaint will encourage the complainant to contact the appropriate person or unit, not a third party.

3.9.2 The board member who receives the complaint will decide if the inquiry indicates a violation or potential violation of policy in one of the four policy groups (1.Ends, 2. Executive Limitations, 3.Board Governance, 4.Board-Executive Linkage). If so, the Member will apprise the board of this judgment and the board will then decide if it agrees that the complaint warrants board involvement.

3.9.3 The board will only get involved in addressing a complaint if there is reason to believe that a violation of board policy has occurred, if there is no relevant policy, or if there is reason to question the appropriateness or adequacy of existing policy.

3.9.4 If a violation of board policy appears to have occurred, the board will analyze and then resolve the problem, including making or adjusting whatever the deficiency is in existing policy. The board will not involve itself in the staff or a committee's carrying out policy that is consistent with the boundaries established under Executive Limitations policies. However, the board will review how well the policies are being carried out by paid and volunteer staff as part of a broad monitoring process.

3.10 Member Comment at Meetings of the Board of Trustees

The board offers dedicated time at the beginning of each regular Board meeting for Members of the congregation to share views, ideas, and concerns. Any Member of the congregation may address the Board during "Member Comment" time. Any topic that is related to board policy as stated in our Governing Policies is welcome.

Congregation members who wish to speak to the board must reserve time not later than 5:00 p.m. on the Monday preceding the Board meeting at which an individual wishes to speak. The Board will not respond to or take immediate action on issues raised during the "Member Comment" period.

Those who wish to make a more formal presentation or who are seeking a specific action from the Board should consult with the Board President.

SECTION 4: BOARD-EXECUTIVE LINKAGE

4.0 Governance-Executive Linkage

The Board's sole official connection to the operational organization of UUAA, and the duties, responsibilities and conduct of paid and volunteer staff will be through the Senior Minister, who is the Executive.

4.1 Unity of Control

Only motions officially passed by the Board of Trustees acting as a body are binding on the Executive, except in

rare instances when the Board has specifically delegated the exercise of such authority.

4.2. Accountability of the Executive

The Executive is the board's link to operational achievement and conduct of UUAA. The board holds the Executive accountable for organizational operations, achievement and conduct. All authority and accountability of paid staff and volunteers is considered by the board to be the authority and accountability of the Executive. Therefore,

- 4.2.1 The Board will not give instructions to persons who report directly or indirectly to the Executive.
- 4.2.2 The Board will not evaluate, either formally or informally, any staff other than the Executive.
- 4.2.3 The Board will view Executive 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 Executive performance.

4.3 Delegation to the Executive

The Board shall instruct the Executive through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided. The Executive is responsible for implementation and may further delegate to paid staff and volunteers. Accordingly,

- 4.3.1 Each year the Executive will present to the Board a strategic operational plan and budget that will address and work toward the Ends. The Board must review and agree to this plan.
- 4.3.2 The Board will develop executive limitations that define the latitude the Executive may exercise in choosing how to accomplish the plan and budget.
- 4.3.3 The Board may change the executive limitations, thereby changing the latitude of the Executive.

4.4 Monitoring Executive Performance

Executive performance is monitored by comparing UUAA's performance data against achievement of UUAA's aspirations (ends) and against the defined executive limitations. Any evaluation of the Executive's performance, formal or informal, may be derived only from these monitoring data, that is

(1) Organizational accomplishment of board Ends policies, (2) organizational operation within the boundaries established in Board policies on Executive Limitations, (3) accomplishment of annual strategic goals approved by the Board.

Accordingly, Performance will be monitored by regular and systematic reports that provide data enabling the board to determine the extent of Executive compliance to board policies. Data that do not support this will not be considered. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past. Accordingly,

- 4.4.1 All policies that instruct the Executive will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
- 4.4.2 The Board will acquire monitoring data by one or more of the following methods:
 - 4.4.2.a By internal report, in which the Executive discloses compliance information to the Board;

4.4.2.b By external report, in which an external, disinterested third party selected by the Board assesses compliance with Ends and Executive Limitations;

4.4.2.c By direct Board inspection, in which one or more Board Members designated by the Board, or the Board as a whole, assesses compliance with the appropriate Board policy criteria.

4.4.3 In every case, the standard for compliance shall be any reasonable interpretation of the 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.

Monitoring and Reporting Schedule

Policy	Method	Delivery Date	Board Action
1.0 Ends	Internal	Annually: June	July
2.0 Global Executive Constraint	Internal	Annually: July	August
2.1 Treatment of Congregants	Internal	Annually: September	October
2.2 Treatment of Volunteers/Staff	Internal	Annually: October	November
2.3 Compensation & Benefits	Internal	Annually: February	March
2.3 Compensation & Benefits	External	Triennially: 2009, 2012, 2015 ...	
2.4 Financial Planning/Budgeting	Internal	Quarterly: Nov, Feb, May, Aug	Dec, March, June, Sept
2.5 Financial Condition & Activities	Internal	Monthly	Review Monthly
2.5 Financial Condition & Activities	External	Annually: March	April
2.6 Asset Protection	External	Annually: November	December
2.7 Grants & Contracts	Internal	Annually: January	February
2.8 Gift Acceptance	Internal	Annually: January	February
2.9 Board Communication / Support	Internal	Annually: April	May
2.10 Executive Absence	Internal	Annually: April	May

2.11 Executive Well-Being	Internal	Annually: April	May
Strategic Plan and Annual Budget	Internal	Annually: December	January

4.5 Executive Compensation

The board shall negotiate a contract with the Senior Minister that will stipulate compensation and benefits.

Senior minister compensation will be decided annually after a review of monitoring reports received in the preceding year during the month of January.