

**APPROVED POLICIES**  
**OF**  
**THE BOARD OF TRUSTEES**  
**THE FIRST UNITARIAN CHURCH OF DALLAS**

**As Amended**  
**September 18, 2014**

# Approved Board Policies

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# Approved Board Policies

## Ends

### *Mission (Global Ends)*

The First Unitarian Church of Dallas creates and nurtures an enduring, liberal, religious community where all souls shall grow in harmony with the divine through worship, education, service and fellowship.

### *Spiritual Development*

The spiritual lives of our members, friends and visitors grow and deepen as we

- embrace Unitarian Universalist principles
- support a free and responsible search for truth and meaning
- encourage the development of personal and communal spiritual practices
- inspire religious dialogue
- experience and explore the sacred in our lives and the mystery of existence

### *Worship and Celebration*

The lives of our members, friends and visitors are spiritually deepened through active engagement in worship and celebration as we

- participate in a liturgy that guides us in communal response to the sacred and honors our Unitarian Universalist traditions
- offer relevant, thought-provoking experiences and sermons that inspire us to be better people and to reflect on our lives and our connections with the community
- embrace a wide range of creative, artistic and musical experiences woven throughout our church life that move, uplift, and sustain us
- come together to honor important events of our lives and of our church

### *Caring and Inclusive Community*

Members, friends and visitors feel welcomed, cherished, and supported throughout our lives as we

- affirm the inherent worth and dignity of every person in an open, inclusive, safe and accessible environment
- care for and support one another in times of celebration and need
- experience a sense of belonging and meaningful relationships with each other and the church
- value, foster, and commit to diversity in all forms

### *Lifespan Religious Education*

Our congregation and our broader community are enriched and transformed by religious education programs as we

- understand and embrace Unitarian Universalist values, identity, and practices
- encompass the principles and histories of Unitarian Universalism, liberal religious traditions, world religions and the history of First Unitarian Church of Dallas
- deepen the spiritual lives of adults, youth and children by engaging them in open-minded dialogue that nurtures and inspires
- foster religious inquiry, social analysis and public conversation with the larger community

### ***Public Presence***

Our congregation clearly communicates our values as we

- embody the message of love and inclusion
- provide a welcoming place for meaningful events that serve a wide audience and inspire community dialogue
- advocate in the public arena to promote a healthy and whole global community
- partner with congregations and institutions in support of shared values

### ***Community Involvement***

Our lives and the lives of those we engage with are transformed and our world is improved as we inspire and enable our members and others to

- act on our principles by advocating and working for justice, equality, peace and freedom
- create opportunities and take meaningful and visible actions for community service and advocacy

### ***Stewardship and Sustainability***

The church is sustained over time by responsible stewardship as we

- build a connection between spiritual practice and generosity
- express gratitude and commitment by sharing our gifts
- nurture and develop volunteers and enrich lives through their activities with our church community
- value our resources and use them in service of our highest values and aspirations
- operate with transparency and accountability

## **Executive Limitations**

### ***Global Executive Constraint***

The CEO shall not cause or allow any decision, action, condition or organizational circumstance that is illegal, imprudent, in violation of commonly accepted business and professional ethics.

### ***Treatment of Members, Friends, and Visitors***

With respect to interactions with member, friends and visitors of the church (hereinafter referred to as “parishioners”) the CEO shall not allow conditions procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality and privacy.

### ***Treatment of Staff***

With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, unsafe, unprofessional or undignified.

Accordingly, he or she shall not:

- 1) Operate without written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
- 2) Discriminate against any staff member.
- 3) Fail to apply the standards of the Church’s mission, values, and ends to interactions with staff.

### ***Financial Planning and Budgeting***

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a documented multi year staffing and financial plan.

Accordingly, the CEO shall not allow budgeting that:

- 1) Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- 2) Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- 3) Fails to maintain a cash reserve (the "Operating Reserve") equal to the operating expenses required to cover two weeks. Further, to the extent that the sum of the cash balances in the Operating Reserve Account and the Operating Account are less than one fourth of the current year’s total budgeted operating expenses (the “Targeted Cash

Balance”), the CEO shall not fail to use best efforts to reasonably apply any excess cash flows toward building the sum of the cash balances in the Operating Reserve Account and the Operating Account to achieve the Targeted Cash Balance.”

- 4) Fails to accumulate funds into a reserve account for ministers’ sabbaticals (the “Sabbatical Reserve”) in a manner that is consistent with the commitments made in the ministers’ call letters and the sabbatical policies described herein.

### ***Financial Conditions and Activities***

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends Policies.

Accordingly, the CEO shall not:

- 1) Indebt the church nor enter into a contract that could indebt the church in an amount greater than 5% of the then current year's budget in any single transaction, nor greater than 10% of the then current year's budget in the aggregate without approval of the Board of Trustees.
- 2) Use any long-term reserve without approval of the Board of Trustees.
- 3) Conduct interfund shifting in amounts that deviate materially from the Board's ends priorities.
- 4) Fail to settle payroll and debts in a timely manner.
- 5) Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 6) Acquire, encumber, or dispose of real property without approval of the Board of Trustees.
- 7) Fail to appropriately pursue unpaid pledges after a reasonable amount of time.
- 8) Fail to aggressively pursue unpaid non-pledge receivables after a reasonable amount of time.
- 9) Authorize a line of credit without the approval of the Board of Trustees.
- 10) Fail to inform the Board before any decision is made to use unexpected and undesignated income over the amount of \$7500.
- 11) Fail to have an independent outside audit of the church’s financials conducted at least biennially, to be completed no later than 180 days after the end of the fiscal year, and the audit results will be reported directly to the Board of Trustees.

### ***Endowment and Memorial Gift Fund Executive Limitations***

- 1) Authority to Spend EMGF Funds. The CEO shall not fail to plan, budget, and spend available EMGF funds to further the purposes of the Church, in accordance with the directives and restrictions that govern the Fund. The Board does not intend that this paragraph create a requirement that all available funds be spent in any given year.
- 2) Requirement to Coordinate with EMGF Committee. The CEO shall not fail to coordinate planning, budgeting, and spending of EMGF funds with the EMGF Committee. Further,

the CEO shall not fail to ensure that the reports required by the EMGF Committee to serve its function are accurate, complete and timely.

- 3) Types of Spending. The CEO shall not allow spending of EMGF funds for other than the following:
- a. reasonable bookkeeping, publicity, solicitations, and public recognition of donors to the fund,
  - b. other expenses thought necessary to properly carry out the functions of the EMGF, projects and purposes consistent with the purposes of the EMGF, as set forth in the Church By-Laws, and
  - c. loans to the Church as allowed by the Church By-Laws.

In no case may the CEO spend EMGF funds in violation of the directives and restrictions set forth in the By-Laws or in Board policy, or in any manner not approved by the EMGF Committee.

- 4) Gift Acceptance.
- a. Delegation to CEO. The CEO shall not fail to evaluate, accept (or decline) gifts, and receive gifts into the EMGF on behalf of the EMGF Committee.
  - b. Requirement for Gift Acceptance Policy. The CEO shall not fail to establish, maintain, and communicate an appropriate gift acceptance policy for both unrestricted and restricted gifts.
  - c. Said gift acceptance policy must not fail to include provisions for donor-designated purposes and allow for the acceptance of non-endowment gifts (gifts that require the expenditure of the principal of the gift over a specified period of time).
  - d. Restriction on Gifts. No gift, bequest or devise of any such property shall be received and accepted if it is conditioned or limited in such manner as to require the disposition of the income, or its principal, to any person or organization other than a charitable or religious organization or for other than charitable or religious purposes within the meaning of such terms as defined in this document, or shall, in the opinion of the EMGF Committee, jeopardize the federal income tax exemption of the First Unitarian Church of Dallas pursuant to the Internal Revenue Code of 1954, as now in force or afterwards amended.

### ***Emergency CEO Succession***

In order to protect the church and Board from sudden loss of CEO services, the CEO must not fail to designate at least one other executive familiar with Board and CEO issues and processes.

### ***Asset Protection***

The CEO shall not fail to establish and implement appropriate plans and procedures for risk management, safety and security. The CEO shall not fail to report to the Board annually regarding the status of risk management, safety and security.

The CEO shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, he or she may not:

- 1) Fail to establish and implement appropriate plans and procedures for risk management safety and security.
- 2) Fail to report annually to the Board the status of risk management safety and security.
- 3) Fail to ensure against theft and casualty loss to at least 80% of replacement valued and against liability losses to Board members, staff, and the organization.
- 4) Allow unbonded personnel access to material amounts of funds.
- 5) Subject facilities, premises, and equipment to improper wear and tear or insufficient maintenance.
- 6) Unnecessarily expose the organization, its Board, or staff to claims of liability.
- 7) Make any purchase (1) wherein normally prudent protection has not been given against conflict of interest; (2) of over 1% of the annual budget without having obtained comparative prices and quality; (3) of over 3% without a stringent method of assuring the balance of long-term quality and cost.
- 8) Fail to protect intellectual property, information, and files from loss of significant damage or the lack of application of appropriate documentation and retention standards.
- 9) Receive, process, or disperse funds under controls that are insufficient to meet the Board-appointed auditor's standards.
- 10) Invest or hold operating capital in insecure instruments, including uninsured checking account and bonds of less the AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- 11) Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

### ***Compensation and Benefits***

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, he or she may not:

- 1) Change his or her own compensation and benefits.
- 2) Promise or imply permanent or guaranteed employment.
- 3) Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
- 4) Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
  - a. incur unfounded liabilities,
  - b. provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited, or
  - c. allow any employee to lose benefits already accrued from any foregoing plan.

### ***Communications and Support to the Board***

The CEO shall not permit the Board to be uninformed or unsupported in its work.

Accordingly, she or he shall not:

- 1) Neglect to submit monitoring information required by the Board in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored.
- 2) Let the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
- 3) Fail to advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and the CEO.
- 4) Fail to marshal for the Board as many staff and external points of view, issues, and options as needed for fully informed Board choices.
- 5) Fail to provide a mechanism for official Board, officer or committee communications.
- 6) Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board.

### ***Ends Focus of Grants or Contract***

The CEO may not enter into any grant or contract arrangements on behalf of the church that fail to emphasize primarily the production of Ends and, secondarily, the avoidance of unacceptable means.

Accordingly, the CEO shall not:

- 1) Allow grant funds to be used in imprudent, unlawful, or unethical ways.
- 2) Fail to assess and consider a grant applicant's or contractor's capability to produce targeted and efficient results.

## **Governance Process**

### ***Global Governance Commitment***

The Board of Trustees (the “Board”) of the First Unitarian Church of Dallas (the “Church”) will act on behalf of the Church’s membership to promote the accomplishment of the church’s mission and prevent unacceptable activities and conditions with the Church.

### ***Governing Style***

The Board will govern with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of Board and chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity.

Accordingly:

- 1) The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will 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.
- 2) The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives about ends to be achieved and means to be avoided. The Board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.
- 3) The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.
- 4) The Board will monitor and discuss the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-CEO Linkage categories.

### ***Board Job Description***

The job of the Board is to represent the First Unitarian Church of Dallas in determining and demanding appropriate organization performance.

Accordingly:

- 1) The Board is the link between the church administration (CEO and staff) and the membership.
- 2) The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.
  - a. Ends: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. Governance Process: Specification of how the Board conceives, carries out, and monitors its own task.
  - d. Board-CEO Linkage: How power is delegated and its proper use monitored; the CEO role, authority, and accountability.
- 3) The Board will assure CEO performance against policies in 2(a) and 2(b).

### ***Agenda Planning***

- 1) Board meetings. As stipulated in the By-Laws, the Board shall conduct regular meetings as it deems necessary. Occasionally, non-regular or emergency meetings may be called to address topics requiring immediate attention due to time constraints or other unforeseen circumstances. These emergency meetings would address issues which, if not resolved before the next scheduled Board meeting, could adversely affect the church. Whenever possible, the Board will endeavor to meet to make emergency decisions. If the Board is unable to convene a quorum, the Board Executive Committee shall meet and execute emergency decisions, as stipulated in the By-Laws.
- 2) Annual Retreat/Establishing Priorities. The Board shall act as a group in establishing the priorities for each Board year. The priorities for each year shall be determined at an annual retreat to be held in January of each year. Prior to the annual retreat, the incoming President shall consult with the out-going President and, if necessary, other Board members regarding outstanding priorities and other business of the Board that should carry over to the next year. The President may also visit with Board members, other elected groups of the Church, the Church's called Ministers, the staff of the Church (through the CEO) and Members of the Congregation as he or she see fit to determine what issues might need to be addressed by the Board in the upcoming year. The President shall direct the planning of the annual retreat, including proposing areas for discussion and consideration by the Board; in planning the retreat, the President shall call upon other members of the Board for assistance.
- 3) Setting the Agenda for Meetings. The agenda for all Board meetings should reflect the priorities established by the Board, along with other business being presented to the Board. As such, the Executive Committee shall meet between Board meetings in order to, in part, identify agenda items. The President then shall, consistent with the Board's agreed upon priorities and agreed upon agenda items, facilitate setting the agenda for

each meeting to be held, and shall publish the proposed agenda in advance of each such meeting for Board review and comment.

- 4) Clerk duties. The Clerk shall maintain a record of (a) the priorities determined by the Board at the annual retreat, (b) the agenda for each meeting (c) the work of the Board recorded as minutes for each meeting, and (d) signed conflict of interest forms for current Board members.

### ***Chairperson's Role***

As per the by-laws, the President of the congregation serves as the Chairperson of the Board. The Chairperson assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly:

- 1) The job result of the Chairperson is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the CEO.
  - b. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- 2) The authority of the Chairperson consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Linkage, except where the Board specifically delegates portions of this authority to others. The Chairperson is authorized to use any reasonable interpretation of the provisions in these policies.
  - a. The Chairperson is empowered to chair Board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing).
  - b. The Chairperson has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chairperson has no authority to supervise or direct the CEO.
  - c. The Chairperson may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
  - d. The Chairperson may delegate this authority but remains accountable for its use.

### ***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:

- 1) Members must represent unconflicted loyalty to the interests of the membership. 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 church's services.

- 2) Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - a. There must be no self-dealing or any conduct of private business or personal services between any Board member and the church administration (CEO and staff) except procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
  - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote but also from the deliberation by leaving the meeting.
  - c. Board members must not use their positions to obtain church employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign from the Board.
  - d. Members will annually disclose their involvements with other organizations, with vendors, or with any other associations that might produce a conflict, by completing a disclosure form at the beginning of each year. Members will also disclose any potential conflicts that arise during the ensuing year.
- 3) Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
  - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
    - (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.
  - b. Members will give no consequence or voice to individual judgments of CEO or staff performance.
- 4) Members will respect the confidentiality appropriate to issues of a sensitive nature.

### ***Board Committee Principles***

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to CEO.

Accordingly:

- 1) Board committees are to help the Board do its job, never to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have dealings with current staff operations.
- 2) Board committees may not speak or act for the Board except when formally given such authority by Board action or controlling documents of the church for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

- 3) Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.
- 4) Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore a Board committee that has helped the Board create policy on some topic will not be used to monitor organizational performance on that same topic.
- 5) Committees will be used sparingly and ordinarily in an ad hoc capacity.
- 6) This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

### ***Nominating Committee***

The Board shall appoint its allocated member to the nominating committee not later than the end of February. The President shall convene the committee's organizational meeting not later than the end of March. The individual whom the committee selects to be its chair for the year pursuant to the by-laws shall report to the Board each month, beginning in the month of the organizational meeting and ending when the slate of nominees has been determined, on the status and progress of the committee's work. After the Annual (Parish) Meeting, the chair of the Nominating Committee shall convey to the newly-elected President of the Congregation a list of candidates names and related data considered for filling positions during the term of the Nominating Committee.

### ***UUA Delegate Selection***

As per the by-laws, the Board sets procedures on selecting and instructing delegates voting in Unitarian Universalist Association elections or attending Unitarian Universalist Association gatherings as representative of the Church. Accordingly:

- 1) The Board has formed a General Assembly (GA) Committee to:
  - a. Build awareness of and support participation in the Unitarian Universalist Association of Congregations and the UUA General Assembly across all age groups in our congregation.
  - b. Solicit and recommend UUA GA delegate candidates to the Board of Directors for their consideration.
  - c. Investigate opportunities for funding of on-line and on-site GA attendance.
- 2) The GA Committee shall be comprised of 5 First Church members with previous GA delegate experience for a term of 3 years. As terms expire or as GA Committee members wish to step down, the GA Committee will nominate eligible GA Committee members, which can include previous GA Committee members whose terms have expired, to the Board for approval.
- 3) The GA Committee shall report to the Board of Directors at least:
  - a. upon delegate recommendation,
  - b. to obtain approval for delegate voting instructions,

- c. to provide an annual summary report on GA, and
- d. to obtain approval for any congregational proposals to be presented at GA.

Additionally, as to delegate selection and instructions:

- 1) Any Church Member actively holding or running as a candidate for a Unitarian Universalist Association elected office shall recuse themselves from any and all Board discussions, and voting if applicable, regarding the selection and instruction of delegates.
- 2) Officers and Trustees of the Board shall indicate no later than 60 days in advance of any Unitarian Universalist Association election or gathering their interest in being a delegate, and will be allotted delegate slots if interested. If the number of slots is less than the number indicating interest, slots shall be filled by Board tenure (those with the longest tenure of service shall have priority).
- 3) The GA Committee will solicit remaining delegate nominations from the congregation no later than 45 days in advance of any Unitarian Universalist Association election. The solicitation must be included in church-wide publications.
- 4) Nominees may be presented by a Lay Group, or any Church Member including self-nomination. Prior consent of those nominated shall be obtained.
- 5) The GA Committee shall vet delegate nominees and ensure they are in good standing with the church.
- 6) The GA Committee shall present the delegate slate for Board approval.
- 7) The Board will provide delegates with clear written instructions regarding voting position, as required.
- 8) The GA Committee will provide delegates with clear written instructions regarding voting position, if required by the Board.

### ***Called Minister Searches***

The Board will be guided by the comprehensive selection process recommended by the UUA for any Called Minister searches. The selection process includes the use of a search committee to carry out the search process and to make a recommendation to the Board. The Board will vote, in compliance with the By-Laws, on whether to invite the search committee nominee to candidate to the congregation. The search committee size, makeup, and committee selection process will be determined by the Board for each circumstance, and the search committee will be given a specific charge by the Board and be accountable to the Board. Exceptions to the called minister search process policy may be made by majority vote of the Board as circumstances dictate.

### ***Ordination of ministers***

From time to time our congregation may be asked to ordain someone into the Unitarian Universalist ministry. Ordination by First Unitarian Church of Dallas is approved by congregational vote.

The process for requesting ordination is:

- 1) Candidate will discuss the request with the Senior Minister.
- 2) The Senior Minister would then bring his or her proposal to the Board with a recommendation.
- 3) If the Senior Minister recommends proceeding with the ordination, then the Board will assess candidate and vote on whether to make a proposal to the congregation.
- 4) If the Board votes in favor of making a proposal for the ordination to the congregation (per the church By-Laws), then the candidate should make at least one presentation (meet and greet) to the congregation before the vote.

Ordination of a minister called to serve our congregation:

- 1) The search process may be considered sufficient review of the candidate and their call to ministry or any of the steps outlined below for non-called ministers may be used.
- 2) If this is a candidate for the Senior Minister position, the candidate would need to discuss with the search committee or the board their desire to be ordained at the First Unitarian Church of Dallas.
- 3) The congregation can vote on ordination at the same meeting where they vote on whether to hire this minister (i.e. if congregation approves hiring, the next vote would be on whether to ordain).

Ordination of a minister not serving our congregation or a non-called minister serving our congregation:

- 1) For the Board review of the candidate, consider the following:
  - a. If this person is not serving our congregation, why have they chosen this church for their ordination?
  - b. Is this person in fellowship with the UUA? (if not, determine why not and consider if this impacts the decision on ordination).
  - c. The board may choose to have a committee of the board interview the candidate, see a resume and/or review an essay on their calling and make a recommendation to the board. This is an especially important process to consider if the candidate is not in fellowship with the UUA.
- 2) Important considerations in the decision of ordination:
  - a. Qualifications and education
  - b. Participation, engagement and relationship with the church and UUA
  - c. Sense of calling to a ministry related to Unitarian Universalism
  - d. Direction of ministry
  - e. Our church's responsibility to the greater UUA (we are helping to launch the candidate's ministry, do we feel good about what they will contribute to our denomination?)

### ***Ministers' Sabbaticals***

Our Church may offer a sabbatical program to certain ministers. Commitments regarding the sabbatical may be outlined in the agreement letter (the "Call Letter") signed by the minister and the Church at the time the minister is called. The plan that is actually implemented for each sabbatical should be the outcome of a discussion between the CEO and the Board. While a relatively broad degree of flexibility is implicit in the process to accommodate a wide range of potential circumstances regarding the needs of the Church and the minister at the time of each sabbatical, the Board should adhere to the following policies:

- 1) A written sabbatical plan (the "Sabbatical Plan") should be submitted to the Board for approval at least 6 months prior to the proposed start date of the sabbatical.
- 2) Prior to Board approval of the Sabbatical Plan, information should be gathered about how churches of similar size and circumstances to ours are handling sabbaticals with regard to costs and procedures.
- 3) The Sabbatical Reserve should be budgeted for and accumulated in accordance with any commitments made in our ministers' Call Letters.
- 4) The Sabbatical Reserve is the property of the congregation. While a discussion between the Board and the minister is the primary determinant of how these funds should be allocated, the baseline scenario is that they are to be used for hiring and accommodating temporary staff and/or speakers to cover the responsibilities of the minister on sabbatical. Other expenses associated with the sabbatical, such as travel and professional development expenses, should typically be budgeted for within the minister's annual professional expenses.
- 5) Under typical circumstances, the Sabbatical Reserve should be regarded as the very high end of what should actually be required for temporary personnel. Any unused portion of the Sabbatical Reserve remains the property of the Church and should continue to be held in the reserve account to reduce the funding burden required to be accumulated in the reserve for future sabbaticals.
- 6) The CEO is responsible for ensuring that the accounting staff incorporates the Board-approved Sabbatical Plan into its controls and procedures and that the Treasurer is apprised of how reserve releases and expense reimbursements are being managed.

### ***Strategic Planning***

The Board will actively support the work of the Strategic Planning Committee by informing itself regularly about the Committee's activities and participating in all phases of the process: data gathering, discernment, and development of the mission, vision, objectives, goals, and recommendations. The CEO will inform the Board of the progress of the Committee at periodic intervals. The Board must receive and approve the Strategic Plan submitted by the CEO before it is implemented.

### ***Board Communications***

Communications from Board leadership to Board members and among Board members will be clear and expedient. Care will be taken to ensure that Board members are not excluded or disadvantaged by internal communications policies.

Accordingly,

- 1) Email communications:
  - a. The Board will take appropriate action to facilitate easy distribution of information via email to all Board members.
  - b. Board members will strive to check their personal email not less than every two days for announcements and other Board business.
  - c. If Board business requiring action before Monday arises over a weekend, the Chairperson will contact Board members by email, requesting a response. The Chairperson will be responsible for contacting by phone any Board members who have not responded to the email by the required time.
- 2) Document Management  
The Board will maintain appropriate standards for documents that include the incorporation of a version number, version date/time, and/or other control feature(s) that clearly identify the version or the date the document was last modified. Furthermore, the Clerk will provide the CEO (or his/her designee) with copies of all relevant board documents for incorporation into the church filing systems.

The Board shall engage in periodic communication with the congregation and will be resource conscious in such efforts. Board meeting minutes shall be made available once approved.

### ***Noticing the Congregation***

Written communications from the Board are required to: 1) alert congregants about upcoming Church Meetings (annual, regular and special); 2) provide congregants proposed By-Law Amendments to be discussed and voted on at Church Meetings; and 3) provide church election ballots to voting members. These communications will be disseminated in a manner determined by the Board, mindful of the equal importance of effectively reaching congregants while honoring our commitment to judicious use of resources. While the Board prefers that personal notifications to members eligible to vote will be sent by email, members may request paper mailings.

- 1) Church Meetings: Whenever possible, notice will be provided by multiple means, including announcements from the pulpit, on the church website and in the DU. Members eligible to vote will receive personal notification at least 10 days prior to meetings.
- 2) By-Law Amendments: Whenever possible, draft By-Laws amendment concepts will be provided to all members eligible to vote at least ninety (90) days prior to a Church Meeting. Members eligible to vote will be invited to provide written comment to the Board. If possible, the Board will host at least two (2) live forums on Church property

open to the congregation to discuss proposed By-Laws amendments at least sixty (60) days prior to the Church Meeting. The Board will consider the comments it receives before drafting the By-Laws Amendments to be discussed and voted on in the Church Meeting. No later than thirty (30) days prior to the meeting, the text of proposed By-Law Amendment(s) to be voted on will be made available in writing to all members eligible to vote.

### ***Cost of Governance***

The Board will consciously invest in its ability to govern competently and wisely.

Accordingly,

- 1) Training and retraining will take place at least annually to orient new members and to maintain and increase existing member skills and understandings.
- 2) 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) Governance costs will be prudently budgeted and incurred, though not at the expense of endangering the development and maintenance of superior capability.

# Endowment and Memorial Gift Fund Management

## *EMGF Committee*

Article XII of the Church By-Laws requires an EMGF Committee as a standing committee of the Board of Trustees.

- 1) Duties of EMGF Committee. The EMGF Committee shall:
  - a. designate a Board liaison,
  - b. hold regular meetings, at least quarterly,
  - c. keep written records of all meetings,
  - d. report to the Board at least quarterly,
  - e. maintain accurate records of the status of invested funds, and
  - f. coordinate the appropriate spending of available EMGF funds with the CEO, to whom the Board has delegated spending authority.
  
- 2) Powers of EMGF Committee. Subject to such limitations as are imposed in connection herewith, the EMGF Committee shall have the following powers:
  - a. Invest. To hold, manage, invest, sell, reinvest, lease, care for and protect the assets of the Fund and collect for the Fund the income therefrom. In performing these functions the EMGF Committee shall exercise the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs.
  - b. Retain. To acquire and retain every kind of property; real, personal or mixed and every kind of investment specifically including, but not limited to, bonds, debentures and other corporate obligations, preferred or common stocks, government bonds, notes or bills, certificates of deposit, savings accounts, share accounts, mutual funds, the General Investment Fund of the Unitarian Universalist Association and other investments which persons of prudence and intelligence acquire or retain for their own account.
  - c. Sell and Convey. To sell at public or private sale and convey any or all of the Fund assets and any reinvestments thereof from time to time for such price and upon such terms as they think fit.
  - d. Vote Proxies. To vote, either in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose. To exercise or sell any subscription rights, and to avail themselves of any options or benefits under any life insurance policies.
  - e. Settle Claims. To settle, compromise, contest, prosecute or abandon claims in favor or against the Fund as they may deem advisable. For such purposes, the EMGF Committee may execute and deliver all proper and necessary instruments and may give full receipts and discharges.
  - f. Establish Accounts. To establish, for the Fund, one or more bank or broker accounts as in their opinion are necessary or desirable to carry out their functions provided, however, that in establishing such accounts it shall be made a condition for drawing checks thereon that any check over \$4,000 shall be valid only if signed by any two of the EMGF Committee.

- g. Texas Trust Act. To exercise from time to time all rights, powers, discretion and authorities given Trustees under the terms of the Texas Trust Act as the same now exists and as said act may hereafter be amended.

### ***Types of Gifts***

- 1) Unrestricted Gifts. The Board, EMGF Committee, and Church staff will encourage giving and accept gifts to add to the unrestricted fund of the EMGF, as called for in the By-Laws.
- 2) Restricted Gifts. The Board, EMGF Committee, and Church staff will encourage giving and accept restricted gifts, including memorial gifts, subject to the then current gift acceptance policies. Restricted gifts will not be required to be true endowments, in that they may be designated by the donor to be expended in their entirety, principal included, over a specified period of time.
- 3) Requirement of Professional Investment Advice. The EMGF Committee shall engage professional investment advisers to assist in the management of the Fund's assets in a prudent manner.
- 4) Disbursements. The EMGF Committee shall make disbursements from the Fund from time to time in accordance with
  - a. the directives and restrictions in this section,
  - b. any and all directives and restrictions in the Church By-Laws, and
  - c. any and all directives and restrictions resulting from the enactment of Board policy.

These disbursements shall be made in coordination with the CEO, to whom the Board has delegated authority and responsibility for utilizing the spendable proceeds of the Fund.

- 5) Loans. Loans not authorized in the Church By-Laws must be approved by a two-thirds majority vote of those Church members eligible to vote and present at a regular or special meeting of the Congregation, provided that at least twenty (20) days notice has been given to the congregation that such a vote is to be taken. Such loans may only be for capital equipment or capital improvements. The rate of interest on such loans shall be negotiable.

## **Board-CEO Linkage**

### ***Global Board-CEO Linkage***

The Board will link governance and management functions through the Chief Executive Office.

### ***Unity of Control***

Only decisions of the Board acting as a body are binding on the CEO.

Accordingly:

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

### ***Accountability of the CEO***

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.

Accordingly:

- 1) The Board will never give instructions to persons who report directly or indirectly to the CEO.
- 2) The Board will refrain from evaluating, either formally or informally, any staff other than the CEO.
- 3) The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends and avoidance of Board-prohibited means will be viewed as successful CEO performance.

### ***Delegation to the CEO***

The Board will delegate authority to the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

- 1) The Board will develop policies instructing the CEO to achieve certain results, for certain recipients, at a specified cost. These policies will be developed systematically

from the broadest, most general level to more defined levels, and will be called Ends policies.

- 2) The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
- 3) As long as the CEO uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish any further policies, make any decisions, take any actions, establish any practices, and develop any activities.
- 4) The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation to the CEO is in place, the Board will respect and support the CEO's choices.

***Monitoring CEO Performance***

Systematic and rigorous monitoring of CEO job performance will be solely against the only expected CEO job outputs: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established on Executive Limitations.

Accordingly:

- 1) Monitoring is simply to determine the degree to which Board policies are being met. No other data will be considered monitoring data.
- 2) The Board will acquire monitoring data by one or more of three methods:
  - a. by internal report, in which the CEO discloses compliance information to the Board,
  - b. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and
  - c. by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria, or by which church members are directly asked for their opinion (survey).
- 3) In every case, the standard for compliance shall be any reasonable CEO interpretation of the Board policy being monitored.
- 4) All policies that instruct the CEO 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.

The following table outlines the report types and frequency that are used by the Board to monitor the CEO throughout the year. All reports are to be delivered in writing to the board before the board meeting in which the report will be discussed.

<b>Report</b>	<b>Frequency</b>	<b>Content</b>	<b>Notes</b>
CEO Report	Monthly	- End statements report (line item by end statement) - Report on exceptions or CEO limitations	Preferably in a cumulative format (i.e. include previous

		- Treasurer's report	months report and highlight the new information)
Dashboard	Quarterly	<ul style="list-style-type: none"> <li>- New member numbers and trend</li> <li>- Total membership and trend</li> <li>- Sunday services attendance trend</li> <li>- Member participation in teaching RE and Adult RE</li> <li>- Member participation in service and social action projects</li> <li>- Community service report <ul style="list-style-type: none"> <li>o Activities</li> <li>o Allocation of funds</li> </ul> </li> <li>- First Sunday collection report</li> <li>- RE enrollment and attendance (children and youth)</li> <li>- Other educational events, discussion groups or lectures listed by event <ul style="list-style-type: none"> <li>o Event attendance</li> </ul> </li> <li>- DAI/UUSC/NTAUUS/etc. by event <ul style="list-style-type: none"> <li>o Event attendance</li> </ul> </li> <li>- Chalice circles (number of circles and attendance)</li> <li>- Pastoral Care report</li> </ul>	<p>To be delivered 4 times a year (April, July, October, January)</p> <p>Written, delivered before the board meeting – agreed upon format and contents, which can be modified from time to time by the Board and the CEO to better match the Ends Statements and better accomplish the monitoring goals.</p>
Congregation Survey	Every 2-3 years	<ul style="list-style-type: none"> <li>- The CEO is responsible for defining and administering the congregation survey</li> <li>- Questions based on End Statements</li> <li>- Additional input on questions from board</li> <li>- Survey date is to be determined by the CEO in consultation with the board</li> </ul>	Report results to board within 6 weeks of survey closing date
Annual CEO Report	Annually	<ul style="list-style-type: none"> <li>- End Statements report (line item by end statement)</li> <li>- Report on exceptions or CEO limitations</li> <li>- Treasurer's report</li> <li>- Building progress report (as long as applicable)</li> <li>- Report on relations with external organizations of which the church is a member</li> </ul>	Compilation of the monthly reports
Annual Administrative Review of the CEO by the board	Annually	<ul style="list-style-type: none"> <li>- Occurs after the Annual CEO report has been received by the board</li> <li>- Executive Session of the board conducted <ul style="list-style-type: none"> <li>o Comments specifically on the End Statements and Executive Limitations</li> <li>o A scribe designated by the board chairperson will summarize the results</li> </ul> </li> <li>- One or 2 member(s) of the board as designated by the board chairperson will review the results of the executive session with the CEO before the next board meeting</li> </ul>	-

An additional aspect of monitoring CEO performance involves a regular review of the Executive Limitations set forth within the Approved Policies of the Board of Trustees with a focus on any exceptions to the presumption of operation within these constraints. Accordingly, the Board should receive from the CEO a checklist (the "Exceptions Checklist") itemizing the Executive Limitations along with confirmation that the constraint was adhered to over the period in

question, or, if the constraint was violated, a discussion of the details underlying the violation and why it occurred.

The following table provides a list of the Executive Limitations and the minimum frequency each limitation should be reported on the Exceptions Checklist:

<b>Limitation</b>	<b>Frequency</b>
Executive Constraint	Monthly
Treatment of Members, Friends, and Visitors	Monthly
Treatment of Staff	Monthly
Financial Planning and Budgeting	Annually
Financial Conditions and Activities	Monthly
Endowment and Memorial Gift Fund Limitations	Monthly
Emergency CEO Succession	Annually
Asset Protection	Monthly
Compensation and Benefits	Monthly
Communications and Support to the Board	Board evaluates annually – not on Exception Report
Ends Focus of Grants or Contract	Monthly