

FIRST UNITARIAN SOCIETY OF MINNEAPOLIS  
200.0 – GOVERNANCE POLICY

<i>Policy Approval and Amendment Tracking:</i>			
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FUS Board of Trustees	Jan 22, 2014	New	
FUS Board of Trustees	Nov 19, 2014	Jan 22, 2014	
FUS Board of Trustees	Dec 17, 2014	Nov 19, 2014	

**I. PURPOSE**

To describe the responsibilities of board members, board organization, and how the board will conduct itself. To provide a resource for current and future members of the FUS Board of Trustees (“Board”) to ensure continuity and consistency in the application of board policies. Board policies are distinct from the administrative policies that are the domain of the staff.

FUS board officers and their duties are established in the FUS bylaws. This policy further elaborates those duties and should be read in conjunction with them.

**II. STATEMENT OF GOVERNANCE**

A clearly defined governance structure is foundational to FUS fulfilling its purpose and answers these key questions: What exactly is the job of the Trustees? What is our process for deciding to make major changes, empowering people to make it happen, and holding them accountable for the results?

At FUS we understand that a clearly defined governance structure enhances the capacity of our members and staff to live out and fulfill the Society’s mission as well as to feel satisfied and engaged in and rewarded by their FUS-related activities. Moreover, such a structure ensures that:

- Our governance is democratic, transparent, and collaborative.
- It includes clearly defined roles, responsibilities, and lines of authority.
- Authority and freedom to act are delegated in proportion to responsibility, and accepted with expectation of being held accountable for meeting those responsibilities.
- Time spent in administrative navigation is minimized and accomplishment of mission-related action is maximized.
- It values creativity and energy for new ministry and programming ideas that bubble up from all areas of the congregation.
- It makes clear to all the opportunities for involvement and processes for bringing those ideas forward and how decisions about them will be made.

## Core Structure

The **Board of Trustees** is democratically elected by the membership and entrusted with discerning the mission, vision, oversight of financial resources, and strategic planning, which is determined in collaboration with clergy, staff and members. The Trustees determine guiding policies and evaluate programs and the senior minister to assure accountability for results.

The **Minister** is responsible for programming and day-to-day operations to meet the strategic goals and mission. As such, it is ultimately the Minister, in consultation with Trustees, who determines the staff structure and assembles and manages the staff to reach our strategic goals, in accordance with policies.

The **Board of Trustees and Minister** work with the congregation to ensure that all share understanding of the mission and strategic direction

We will know our Governance is working when:

- There is a unified structure for making governance decisions. The Board represents the membership by articulating mission and vision, evaluating programs, and ensuring responsible stewardship of resources.
- There is a unified structure for making operational decisions. Program leaders work harmoniously to create effective programs with support of a structure that delegates authority and requires accountability.
- There is a creative, open atmosphere for ministry and programming. Members take advantage of many opportunities to share their talents and interests in an atmosphere of trust and creativity in which structure, goals and purposes are clear, as is the expectation of being held accountable.

## III. GOVERNANCE – THE BOARD AND ITS DUTIES

### A. Board Focus

Consistent with the FUS Statement of Governance, the Board will:

- a. Provide strategic leadership and collective decision making
- b. Focus on the future rather than the past or present
- c. Proactively plan rather than react
- d. Encourage diverse viewpoints

### B. Board Covenant

Trustees will:

- a. Mindfully interpret the Statement of Purpose to ensure that FUS purposes are fulfilled and FUS continues to thrive.
- b. Honor commitments made individually and collectively.
- c. Ask for help when the workload proves too heavy and step forward to help when another member needs assistance.
- d. Invite all voices in by encouraging every trustee to express their truth as they experience it.

- e. Speak with one voice once a decision has been made.
- f. Be prepared and focused at meetings and accept with serious intent the work of the Board, actively participating in board activities and committees.
- g. Promote a trusting, safe and rewarding board environment.
- h. Assume good will and be worthy of it.

#### C. Trustee Responsibilities

Trustee responsibilities involve much more than attending board meetings once per month. They include:

- a. Becoming well familiarized with all FUS policies.
- b. Investing time meeting with the congregation formally and informally.
- c. Bringing clear thinking and vision for the future, which means being mindful of trends affecting UU communities and our community at large.
- d. Engaging in meaningful discussion about difficult topics with other trustees.
- e. Being organized and following-through on tasks.

#### D. Board Role, Accountability and Limits

The Board, elected by the congregation, has fiduciary and policy-making authority for all FUS matters other than calling minister and approving annual budgets. The Board articulates the FUS mission, establishes a consistent strategic vision, goals and policies to ensure that they are achieved. The Board will:

- a. Set strategic organizational goals on a regular basis which guide the work and decisions of the Board, the senior minister, staff and lay leaders.
- b. Actively and deliberately consider the relationship of the congregation in the present to its links to the past, and its vision for the future
- c. Work with the FUS called minister to ensure FUS goals are advanced.
- d. Be accountable to the congregation for competent, conscientious, and effective execution of its duties and will allow no individual or Board committee to usurp its role.
- e. Monitor and regularly discuss its performance; the Board, not the staff or Executive, will be responsible for its performance.
- f. Embrace the Board Covenant.
- g. Ensure that its policies are followed.

#### E. Officers and Their Duties

This section should be read in conjunction with Section 6 of the FUS Bylaws. The FUS Bylaws specify FUS officers and their duties and that the congregation shall elect a Chair, Vice-Chair, Secretary and a Treasurer. The Bylaws further specify that, except for the Treasurer, all FUS officers must be trustees. The FUS Bylaws authorize the Board to confer additional powers and duties on Board members. This policy, duly adopted by the Board, provides that Board officers shall have the following additional duties:

a. Vice-Chair

1. Serves on the Executive Committee (see below).
2. Prepares Board meeting agendas.

b. Secretary

1. Maintains all Board policies and ensure that they are periodically reviewed and updated as necessary.
2. Ensures that new policies or policy revisions or amendments authorized by the Board are incorporated in the Board's policy manual in accordance with the Board's Policies and Procedures Policy and disseminated to the senior minister and web team for further dissemination to the congregation and staff.
3. Maintains an archive of all superseded policies and, to this end, shall ensure that all Board policies are properly dated.
4. Ensures that all Board policies are accessible to Board members, staff and the congregation.

c. Treasurer

*(Note: The FUS Bylaws currently provide that all FUS officers, except for the Treasurer, must be trustees. The purpose of this exception is to allow the congregation to elect to this office a member of the congregation with suitable skills who may not wish to also serve as a trustee. Board practice has been to appoint a Treasurer to a one-year term. This individual typically attends all Board and Finance Committee meetings. There has been no term limit. The GTF proposes that the congregation eliminate the language in the Bylaws that exempts the Treasurer from being a Trustee.)*

1. Is a member of the Finance Committee of the Board and reports its recommendations to the Board.
2. Reviews monthly financial statements with the Finance Committee and presents them to the Board at its regular meetings.
3. Ensures that efficient financial systems and procedures are established and maintained.
4. Advises the Board on all financial matters, including special financial needs, and obtains expert assistance when required.
5. In consultation with the Finance Committee, assists the Senior Minister and staff in the preparation of the preliminary and final annual budget for the upcoming fiscal year, ensuring that it is consistent with the Board's strategic priorities.
6. In consultation with the Finance Committee, recommends to the Board financial institutions and investments that can best serve the interests of FUS in managing its cash flow needs.
7. Reviews and verifies weekly deposits and reviews monthly bank statement reconciliations.

8. Ensures that payroll records are accurate, payroll taxes are paid and payroll reports, including end-of-the-year tax forms (W-2s and 1099s, etc.), are produced and submitted to government entities as required.
9. Ensures that an annual audit of FUS finances and internal controls is conducted annually, consistent with Unitarian Universalist Association (“UUA”) guidelines.
10. Ensures that property and casualty insurance needs are appropriately addressed.
11. Ensures that financial issues are resolved (i.e., missing checks, over/under payments).

#### F. Board Committees

The FUS Bylaws provide that the Board may designate an executive committee and appoint other committees and grant them duties and responsibilities. This policy further specifies that the Board may appoint standing committees and task forces to carry out duties that it has not delegated to the Senior Minister. Standing committees continue indefinitely while a task force’s life is limited to the time it takes to accomplish the limited duration task assigned to it. The Board shall dissolve task forces when the assigned task is complete. Members of such committees are appointed by the Board and serve at its pleasure. With the exception of the executive committee, members may include members who are not trustees. This policy does not apply to teams or task forces formed under authority of the Senior Minister.

The Board Chair, in consultation with the Executive Committee, will appoint all standing committees, with the exception of the Executive Committee as described below. Standing Committees generally will include four members and will be appointed annually.

##### a. Executive Committee

The FUS Bylaws provide that the Board the executive committee be composed of the Chair, the Vice-Chair and the Secretary, that it is empowered to act for the Board between Board meetings and that “the Board shall define its role and the powers.” This policy further defines Executive Committee responsibilities as follows:

1. Planning the work of the Board, including establishing board meeting agendas and vetting the business coming before the Board.
2. Acting as the Board’s agent only in emergencies that cannot wait until the full Board is convened.
3. Support the Board Chair and Senior Minister.

##### b. Finance Committee

Finance Committee members will ideally have financial planning, audit and or money management experience. The Committee is responsible for:

1. Assisting the Treasurer in overseeing all financial matters of FUS.
2. Reviewing the annual budget prepared by the Senior Minister and staff, ensuring that it is consistent with the Board’s strategic priorities, and

recommending to the full Board its approval by the congregation.

3. Overseeing annual audits, ensuring that they are consistent with UUA audit guidelines.
4. Overseeing the investment of FUS cash.

c. Governance Committee

The Governance Committee is responsible for:

1. Reviewing prospective changes to Board policies and FUS Bylaws and making recommendations to the full Board thereto.
2. Initiating and overseeing the multi-year strategic planning process, ensuring that an actionable strategic plan is created, and assisting the full Board in overseeing the development and execution of board and staff operating plans necessary to implement the strategic plan.

The Chair, Vice-Chair or Secretary generally will be a member of this committee.

d. Nominating Committee

The FUS Bylaws (Section 7.2) detail the number of members, terms, and how members of the Nominating Committee are elected.

e. Annual Meeting Planning Task Force

This task force is responsible for planning the annual congregational meeting; duties will include:

1. Preparing the meeting agenda and communicating it to the congregation.
2. Overseeing the preparation of the annual report and ensuring that it provides, first and foremost, a progress report with respect to the Board's strategic objectives and goals it set for the fiscal year. *(The report should not be filled with committee and staff reports but rather should contain a narrative that discusses progress made in achieving our vision.)*
3. Arranging meeting logistics.
4. Coordinating special presentations.

G. Board Committee Principles

Board committees generally are charged with preparing policy alternatives and recommendations for the Board and provide written or oral reports to the full board at its regularly scheduled meetings or as otherwise specified by the Board.

The Board will provide a specific written mandate to any committee or task force it creates. Board committees and task forces 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 in order not to conflict with authority delegated to the Senior Minister.

H. Board Committee – Staff Interaction

Board committees do not exercise authority over the staff, generally will not have direct interaction with the staff, and will not interfere with in the discharge of responsibilities delegated to the Senior Minister by requiring approval by a Board committee.

I. Discipline of Excellence

*Reserved*

J. Board Evaluation

*Reserved – the Board will periodically conduct a self-evaluation of its effectiveness.*

K. Board Covenant Violations

*Reserved*

#### IV. GOVERNANCE – MINISTRY AND ADMINISTRATION

A. Management Advisory Team

This policy establishes a Management Advisory Team (“MAT”) to provide direct, ongoing dialog between the Board and Senior Minister the purpose of which is to ensure that decisions made by the Senior Minister are consistent with FUS’s vision and the goals, strategic priorities and the budget established by the Board and approved by the congregation.

While the Senior Minister has final decision making authority regarding staff and program, questions of interpretation undoubtedly arise. The Senior Minister may wish, for example, to implement or eliminate a program that has substantial budget impact or that raises questions with regard to strategic priorities. Or, the Senior Minister may wish to create or eliminate one or more staff positions that could have budget, program, or operational impacts or have HR policy consequences. The purpose of the MAT is to provide counsel to the Senior Minister in such circumstances.

a. Authority

The MAT will convene to interpret Board goals and strategic priorities at the request of the Senior Minister. This policy anticipates that this authority will be invoked primarily when the Senior Minister needs to take action between Board meetings. Board members that are MAT members may speak for the Board on matters of interpretation of strategic vision and goals.

The MAT is authorized to help develop and to approve job descriptions and job postings, interview job candidates and approve employment contracts.

b. Membership

The membership of the MAT shall consist of the Chair, Vice Chair, Treasurer, and Senior Minister. The Senior Minister may invite others to participate when issues are discussed which, in his or her opinion, require their input.

B. Delegation to the Senior Minister

The Board’s duties generally are confined to establishing topmost policies, leaving implementation and development of subsidiary or “administrative” policies to the Senior Minister. All board authority delegated to staff is delegated through the Senior Minister so that all authority and accountability is through the Senior Minister. The Senior Minister reports to the Board on behalf of the staff for overall achievement of the Society’s purpose and visionary goals.

The Senior Minister is authorized to establish all further policies, make all decisions, take all actions, and develop all activities that are true to Board policies. By extending its policies, the Board may un-delegate areas of Senior Minister authority but will respect the Senior Minister's choices so long as the delegation continues. The Senior Minister may not perform, allow, or cause to be performed any act that is contrary to explicit Board constraints on Senior Minister authority.

No individual trustee, officer, or board committee has authority over the Senior Minister or staff. Any individual trustee, officer, or committee may request information from the Senior Minister, but if the Senior Minister judges such to require a material amount of staff time, the request may be refused with explanation.

Should the Senior Minister become aware of a violation of board policy, he or she shall inform the Board Chair or Vice Chair for the purpose of informing the Board of the suspected violation.

The Senior Minister's authority does not extend to supervising or otherwise directing individual trustees or board subgroups regarding board policy or interpreting Board policy to such individuals or subgroups. Nothing in this policy is intended to interfere with mutual interaction about individual understanding of policies.

#### C. Senior Minister Responsibilities

The Senior Minister is accountable for all organizational performance and exercises all authority delegated by the Board through these governing policies. The Senior Minister is responsible for the following:

- a. Accomplishing organizational ends of the FUS Purpose statement and ensuring compliance with Board policies.
- b. Operating the organization within the boundaries of prudence and ethics established in the Senior Minister Limitations section below.
- c. Appropriately using and delegating power to ensure that responsibilities are met.
- d. Hiring and supervising staff.
- e. Ongoing engagement with the Board and the MAT when it is not clear whether an issue is a governance matter within the Board's domain or an administrative matter within the Senior Minister's domain or both.

#### D. Integration of Volunteers – Propagation of New Ideas

Much of the work of FUS is accomplished by and through volunteer program teams and temporary teams. It is central to the vitality of the Society that members participate in its ministry and programs, one aspect of which is working collaboratively with paid staff and other volunteers. Accordingly, the Senior Minister shall:

- a. Ensure Society staff operates in ways that are faithful to the FUS purpose, strategic goals, and policies.
- b. Establish such teams as the Senior Minister deems necessary and appropriate to accomplish the strategic goals and ensure that each such team is connected to FUS's purpose and goals via a particular staff person.
- c. Ensure that teams understand their roles, objectives and lines of authority and have



the necessary resources, financial and otherwise, to accomplish their tasks.

- d. Take into consideration the need for diversity.
- e. Coordinate the work of compensated staff and FUS teams to facilitate communications, efficiency and effectiveness.
- f. Integrate FUS members into leadership and service.
- g. Maintain a FUS team member handbook that clarifies the lines of authority and support within FUS; general team member expectations; communication policies and procedures; and how teams and individual volunteers should relate with staff.
- h. Instill in FUS teams and their members a sense of empowerment, encouragement and the value their work has to the Society.
- i. Ensure that the work of FUS teams is fully consistent with FUS legal and contractual obligations.
- j. Identify pathways for members to request creation of a task force or program team.

#### E. Board and Congregation Communication

The Senior Minister shall insure that the board and congregation are fully informed concerning important issues, and that the Board is supported in its work. Accordingly, the Senior Minister shall:

- a. Inform the board in a timely manner of any relevant trends, issues, or events affecting the health of the organization.
- b. Submit monitoring information required by the board in a timely, accurate and understandable fashion.
- c. Gather as many staff and external points of view, issues and options as needed for fully informed board decisions.
- d. Develop and maintain a calendar for the year that is publicly accessible.
- e. Advise the board of any deviations from established policy or to recommend changes in such policies, within 30 days, whenever the need for revision comes to their attention.
- f. Ensure that a complete and current set of all operating policies is readily accessible to all FUS members at all times.

#### F. Senior Minister Authority Limitations

The Senior Minister shall not cause or allow any practice, activity, decision, or organizational circumstance that is illegal, imprudent or in violation of commonly accepted business and professional ethics. The Senior Minister shall develop procedures consistent with the UUA Code of Ethics to prevent acts of misconduct and dishonesty. For purposes of this policy, misconduct and dishonesty includes but is not limited to:

- a. Theft or other misappropriation of assets, including assets of FUS or others with whom FUS has a business relationship.
- b. Misstatements and other irregularities in FUS records, including the intentional misstatement of financial records.

- c. Forgery or other alteration of documents.
- d. Fraud or other unlawful acts.

First Unitarian Society specifically prohibits these and other illegal activities in the actions of the Senior Minister, staff, and all others responsible for carrying out its activities.

#### G. Financial Condition

The Senior Minister shall take all action necessary to safeguard the financial health of the Society and ensure that expenditures do not deviate from strategic priorities established by the Board or the budget established by the congregation. Accordingly, the Senior Minister shall:

- a. Ensure that cash is sufficient to settle payroll and scheduled debt service.
- b. Ensure that expenditures do not deviate materially from the approved annual operating or capital expenditure budget.
- c. Provide reasonable access to financial records by the Board, its committees, and authorized outside advisors.
- d. Perform the following only with the explicit prior approval of the Board:
  - 1. Borrow funds
  - 2. Solicit funds for non-budgeted purposes.

#### H. Treatment of Staff and Volunteers

With regard to treatment of paid staff and volunteers, the Senior Minister may not cause or allow conditions that are inhumane, unfair, disrespectful, or otherwise contrary to Unitarian Universalist Association's principles and values. Accordingly, the Senior Minister shall not:

- a. Illegally discriminate, as defined by city, state and federal statute, among existing or potential staff or volunteers.
- b. Subject staff or volunteers to unsafe or unhealthy work conditions.
- c. Withhold from staff or volunteers a due-process grievance procedure, able to be used without bias.
- d. Prevent staff or volunteers from grieving to the board when:
  - 1. Internal grievance procedures have been exhausted and
  - 2. The individual alleges either that board policy has been violated to his/her detriment or board policy does not adequately protect his/her human rights.
- e. Fail to ensure that staff are provided and comply with FUS Employment Policies.

#### I. Communication: Public Statements

The Senior Minister shall not make public statements about the official position of the congregation or board on controversial social, political, and/or congregational issues beyond what the congregation has formally and explicitly adopted in accordance with the FUS Bylaws.

## V. DISCERNMENT

### A. Definitions

1. **Discernment** means simply being able to see and understand clearly and intelligently that which is obscure. Applied to the Society, discernment means all that we do to figure out and articulate the mission/purpose of FUS and vision for its future.

2. **Mission and/or purpose** are understood to mean the reason(s) that FUS exists.

3. **Vision** is understood to be a clear and specific description of “what will be,” in what way people’s lives or society will have changed once we have succeeded at our purpose. Vision is likely to change more frequently than mission.

### B. Purpose of discernment

1. The Board of Trustees is responsible for and to the mission of FUS. Ministers will come and go and will help meet the mission, but the Board is accountable for seeing that mission clearly and upholding it. The reasons for having a process for discernment are to ensure that the Board:

a. is clear about the Society’s mission and vision;

b. takes time to consider big questions about the way that FUS could or should affect the lives of members, of people in the greater community, or society at large;

c. with the minister, listens to and considers needs of the members and the

broader community; and

d. does not prematurely jump to action.

### C. Products of discernment

1. Mission or purpose statements, as well as statements of core values and clarity of vision for the future, are possible products of discernment. These, in turn, will feed development of strategies (see section VI).

2. Mission/purpose statements may be considered and reaffirmed without changing much over time, while visions may change more frequently because they are focused on meeting a small part or aspect of the larger purpose.

3. Setting specific strategies or action steps are **not** part of discernment. (See Strategy, Section VI).

### D. Process

1. The Board will spend time and undertake some discernment activity or reflection on a quarterly basis.

2. Because the Board is responsible to the mission of FUS, it is important for it to involve ministers, senior staff and program leaders in articulating the purposes for which FUS exists, but the Board will not delegate this process entirely to others.

3. Examples: Discernment may happen through dedicated time at board meetings; discussion with lay leaders, program teams or members; or research or reflection on trends

or needs in society or the community.

Questions should revolve around our core values and principles and how we want them to play out, how FUS will affect the lives of specific groups of people, how we balance competing ideas, how we are in partnership or in relation to the larger community and what we will improve in the world.

## VI. STRATEGY (to be regularly revisited and updated)

### A. Approach to Strategy:

The products of discernment will inform development of specific strategies or actions. There are many ways to move toward a desired vision and we cannot predict in a fixed plan what the best specific steps will be. As a result, rather than making and sticking to a fixed plan, our approach is to set a direction based on vision and checking that we are making steady progress to it, and adjusting steps along the way.

### B. Process:

A strategic planning process will be initiated and overseen by the Governance Committee as specified in Section III.F.c.2 of this policy. This process will be undertaken jointly between the Board and the ministry team and build off the products of discernment – mission, values, and vision – setting those specific strategies that FUS will pursue to achieve them, covering a span of anywhere between 4-6 years.

The vision and strategies will be vetted with the FUS community and may be tweaked as a result.

The Board may delegate implementation of specific strategies to ministers, staff, teams, task forces or committees as they deem necessary, but oversight of implementation remains with the Board, specifically the Governance Committee, which will report back to the Board on the status of strategy implementation at least bi-monthly.

### C. Fall Annual Strategic Plan Review Informs Budgeting:

The Board will review and update long-term strategies and set short-term goals annually, adjusting current strategies or establishing new strategies as others are completed. The annual strategic plan review should take place in the fall so that the annual financial planning process can support implementation of the strategies.

### D. (Insert current strategic plan if desired here)