

First Universalist Church of Minneapolis Board of Trustees Meeting

Thursday, November 19, 2009, 6:30 p.m.

Board Members present (absent): Jill Andersen, Tim Balke, Dan Berg, Kathy Coskran, Nancy Gaschott, Judy Goebel, Jane Johnson, ~~Barry Johnson~~, Candace McClenahan, Jim Santelli, Doug Smalley, Kimon Swarts,

Clergy present: Justin Schroeder, ~~Kate Tucker~~ **Others present :** Patti Frazee, Sharon Ramirez, Narissa Strong-Bach

Agenda Item	Presenter	Discussion	Action, if any
Call to Order		The meeting was called to order at 6:37 by Doug Smalley, Vice President in Barry Johnson's absence. Justin Schroeder provided opening words.	
Approve meeting objectives & agenda			Approved
Consent Agenda		-Approve October Board Meeting minutes -Approve sponsorship of Kelli Clement as a Candidate for Ministry (Attachment A).	Approved
Senior Minister Report	Justin Schroeder	Most of the operational details of this report are published in the November Board Packet . In addition, Justin spoke about the fall taken last Sunday in the social hall by Will Hartfeldt and his death yesterday. A response team will help congregants process this event which has been difficult for first responders and other congregants who have had similar events affect them in the past. -Available space for Sunday morning Religious Education is becoming an ever more urgent issue. Staff is looking at alternatives to improve this situation.	
Financial Monitoring Report	Nancy Gaschott	The Finance Team has reviewed the list of separate funds within the church budget, and they are working on a more rational way of organizing those funds and managing them.	
Report on Multi-Site Congregation Workshop	Justin Schroeder, Candace McClenahan	Justin and Candace recently attended a workshop, hosted by Prairie Star District at Unity Church Unitarian on Multi-Site Congregations. This technique, in use by other denominations, uses a "mother ship" congregation and satellite congregations that are too small to be able to hire a minister of their own and located at a distance. The sermon at the mother ship church is streamed live via the web or recorded and later played back by the satellite congregation as part of its worship service. Some churches in greater Minnesota are being approached to provide some satellites in other small cities. While First Universalist Church has not been requested to do something like this, Justin mentioned that with this technique it might be possible to set up services for a group of people in a senior residence or serve groups who want different types of worship structure such as different music. Justin would like to have video capture facilities in sanctuary to enable this.	
Board Connections Committee (formerly called Linkage Committee)	Kathy Coskran	Goal: Approve and implement recommendation of committee published in the November Board Packet as Linkage Plan.. Board members to visit groups within church. Board member visits: Each board member will choose one or two entities from a prioritized list to visit with and listen to during the fiscal year. Board members will notify the contact person of their interest and forward the question they want to focus on to the contact person prior to the meeting. During each visit, the board member will limit his or her direct involvement to ten	Approved recommendations 1 and 2

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		<p>minutes or less during the group's meeting time in order to limit any disruption of the normal schedule and order of business. In addition to gathering information specific to the question, the board member will observe and listen to the entire meeting <i>without</i> participating unless directly invited to do so. The goal is to gather general information about the activities, attitudes, and behaviors of the group as it relates to the board's monitoring and evaluation responsibilities. The lack of participation during the bulk of the meeting is designed to limit our influence on what is said and done during those meetings, so what we learn is as authentic as possible. A standard set of questions will be used with all entities. – approved Board members signed up for entities to visit.</p> <p>Connections to congregants who are not part of an identified committee or group: The Connections Committee proposes creating a <i>Question of the Month</i> that will be printed on the Order of Service cover for that month, that will appear in the <i>Liberals</i>, and will be posted at a table in the Social Hall. Congregants will be invited to respond to the question on paper provided in the pews, in the order of service or in the foyer or social hall where there will be attractive boxes to leave responses to the question, suggestion-box style. The question could also be posted on the web site with the responses going to the Board blog or list-serve. Initially, this will use the same questions the board is asking when its members visit committees. - approved</p> <p>Action by the board regarding committee recommendations on the dissemination of information gathered and an approach to linkage with entities outside the church is deferred to a future meeting.</p>	
Senior Minister's Interpretation of Policies	Justin Schroeder	<p>Goal: Board to approve interpretations. Justin has reviewed the Senior Minister Limitation Policies section of the Governing Policies Handbook and has written his interpretations of these policies (Attachment B). Justin expressed concern that there are too many and too specific Limitations Policies. He would like to work with the board on this in the future to see if some of these could be combined or made more general. Justin's interpretations suggest monitoring methods for the Trustees to use to ensure that limitations are being followed. Board decided to defer approval of these interpretations due to some areas still being questioned: such as the Grievance Process. Justin requested feedback from Trustees on his interpretations vs the intent of the Board in creating these policies.</p>	Approval deferred
Review Staff Work Plan	Justin Schroeder	<p>Goal: Board to provide comments. The current version of the Staff Work Plan was published in the November Board Packet. This Work Plan was developed by staff as reasonable goals for the year as part of the budgeting process for the year that occurred last spring, prior to Justin's being called as our Senior Minister. This Work Plan is linked to the Strategic Outcomes in the Governing Policies Handbook Section I-D. Since his arrival, Justin has reviewed this Work Plan with staff. The current version has only a few changes from prior versions.</p>	
Meeting Summary		<p>Board members have signed up for visits to key church entities as part of the Board Connections Committee recommendation 1. Kathy Coskran will send out reminders to Trustees.</p>	

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Adjourn		The meeting was adjourned at 8:22 PM	
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Next meeting: Thursday, December 17 6:30 pm
Other Meetings: Thursday, December 10, 7 p.m. Sermon Based Small Group
Sunday, December 13, 1 p.m. Sermon Based Small Group

Attachment A: Request for Sponsorship of Kelli Clement as a Candidate for Ministry

Hello Barry,

What a great time to be a member of First Universalist Church! I hope you enjoyed your role in Sunday's celebrations; you were truly representing a powerful and enthusiastic body in leading the act of ordination.

I am happy to report that I have recently become a Candidate for Ministry in the UUA, and as such it is time for me to request congregational sponsorship from First Universalist. This endorsement of my potential for ministry requires approval of the Board on behalf of the congregation, with the recommendation of the minister. At this link you can find the full information and implication of such sponsorship:

http://www.uua.org/documents/mpl/credentialing/cong_sponsorship.pdf The last page of the PDF document contains the form that should be completed upon approval and mailed ASAP to the Ministerial Credentialing Office, UUA, 25 Beacon St., Boston, MA 02108

I must acquire congregational sponsorship prior to requesting my interview with the Ministerial Fellowship Committee, so I would be most grateful if you would bring this piece of business before the Board at the Nov. 19 meeting. While I would be happy to provide whatever further information you or the Board might need, I will not be able to attend the meeting due to an evening class at seminary on Thursday nights. Please let me know if you have questions or concerns about this step on my path to ordained ministry.

First Universalist has already provided me such fertile ground for learning and servant leadership; it is with gratitude and humility that I make this request.

Many thanks, Barry, for this and all you do.

Kelli

Attachment B: Senior Minister Interpretation of Limitations Policies

IV. Senior Minister Limitations Policies

The policies in this section address constraints on the Senior Minister's authority.

A. General Constraint

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.

Accordingly, the Senior Minister shall not fail to operate with a procedural policy against misconduct and dishonesty that meets accepted business practices.

For purposes of this policy, misconduct and dishonesty must include but not be limited to:

Senior Minister Interpretation: Compliance is demonstrated by compliance with sub-points below.

1) Theft or other misappropriation of assets, including assets of the corporation or others with whom First Universalist Church has a business relationship.

Senior Minister Interpretation: Compliance will be demonstrated by an annual accounting of assets of the church.

2) Misstatements and other irregularities in corporation records, including the intentional misstatement of the results of operations.

Senior Minister Interpretation: Compliance will be demonstrated by independent outside audit of the church, every five years.

3) Forgery or other alteration of documents.

Senior Minister Interpretation: Compliance will be demonstrated by having multiple check signers for checks over \$1000 (I need to check with Patti on exact amount). Compliance will be demonstrated by the fact that the Church's check book is locked up, that we have proper security measures in the office, and that there are no reported instances of forgery or fraud.

(Finally, compliance will be demonstrated by having systems in place that ensure legal standing of all prospective employees (1-9).)

4) Fraud or other unlawful acts.

Senior Minister Interpretation: Compliance will be demonstrated by not allowing for work conditions in which unlawful acts can occur. First Universalist will follow appropriate cash handling procedures when cash handled, i.e. two people will count and put it in the safe. Compliance will further be demonstrated by not allowing unlawful acts by employees, as spelled out in the employee handbook (which is currently be re-done - see below.) Finally, my reporting to the Board (in the form of financial reports) indicates compliance on these issues of fraud prevention, and other unlawful acts.

I will further demonstrate compliance by updating the Employee Handbook.

First Universalist Church specifically prohibits these and other illegal activities in the actions of the Senior Minister, all employees, and all others responsible for carrying out its activities.

B. Integration of Volunteers

Much of the work of First Universalist Church is accomplished by and through volunteer

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committees, task forces and other groups. It is central to the vitality of the Church that members participate in its ministry, one aspect of which is working collaboratively with paid staff and other volunteers.

Accordingly, the Senior Minister shall not fail to:

1) Ensure that they operate in ways that are faithful to the Church's vision, mission and policies.

Senior Minister Interpretation: "Being faithful to the Church's vision, mission and policies," means to have a basic understanding of the church's reason for being in the world, as articulated by the vision, mission, and policies. Compliance will be demonstrated by each volunteer group, team, or task force being given the Church's vision, mission, and policy guidelines and then creating a work-plan, in which their particular ministry/task is build around and integrated with the "Church's vision, mission, and policies."

NOTE: This involves our ongoing discussion about the mission statement of the church!

2) Establish such committees as the Senior Minister deems necessary and appropriate to accomplish the Ends.

Senior Minister Interpretation: Compliance will be demonstrated by Board acceptance of Staff Workplan based on strategic outcomes as articulated by the Board.

3) Ensure that committees understand their roles, objectives and lines of authority and have the necessary resources, financial and otherwise, to accomplish their tasks.

Senior Minister Interpretation: I interpret "necessary resources," as timely information, budgetary information, and the mission and vision of the church (and how that fits with committee's work).

Compliance will be demonstrated by each committee/team having a basic "mission statement/job description," (created with input from their staff liaison) as well as an organization chart which outlines their connection to the church and staff.

4) Take into consideration the need for diversity, to the extent feasible.

Senior Minister Interpretation: I interpret "diversity" as theological diversity.

Compliance will be demonstrated by creating social and working environments that are safe for congregants to respectfully voice their views and perspectives without reprisal. (I.e., no one can get kicked out of a committee for expressing their views, etc.)

5) Coordinate the work of compensated staff and Church committees to facilitate communications, efficiency and effectiveness.

Senior Minister Interpretation: Good communication, efficiency and effectiveness will be achieved by ensuring that every committee, team, or group has a staff liaison linked to it, so that the church's mission, vision and policies are understood, and so that information can be shared in a timely manner.

Compliance will be demonstrated in two ways: 1) by an annual report, in which every group in the church is listed, along with its staff liaison, as well as 2) an annual survey for each team leader to fill out to report on their relationship with the church staff, and how that has impacted their team's communication, efficiency and effectiveness.

6) Integrate members and friends into Church leadership and service.

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Senior Minister Interpretation: Leadership and service are directly related to feeling connected and wanting to share one's gifts and talents with the world. Leadership and service are possible when there is a clear "leadership" pipeline, with job descriptions, term limits, and clear expectations for leaders. Part of this process is to help old leaders move on (leadership transition) and new leaders to move in.

Compliance will be demonstrated by annually reviewing and updating job descriptions in these essential areas of the church: Religious Education, Pastoral Care Team, Worship Associates, Pledge Team, Legacy Team, Sermon Based Small Group Facilitators, and Welcome Teams.

7) Maintain a church committee member handbook that clarifies the lines of authority and support within the church; general committee member expectations; communication policies and procedures; and how committees and individual volunteers should relate with staff.

Senior Minister Interpretation: At the end of each church year, committee chairs will be solicited for feedback about the effectiveness and helpfulness of the handbook. This feedback will be incorporated into the updating of the Handbook. Compliance will be demonstrated each year by an annual updating of the handbook.

8) Instill in Church committees and their members a sense of empowerment, encouragement, and the value their work has to the Church.

Senior Minister Interpretation: Compliance will be demonstrated by annual appreciation/thank you events for various groups in the church.

9) Ensure that the work of Church committees is fully consistent with First Universalist's legal and contractual obligations.

Senior Minister Interpretation: Compliance will be demonstrated by securing a temporary liquor license for events like the "All Church Auction," by passing our Fire Inspection annually, and by having an outside audit every five years.

B. Treatment of Staff and Volunteers

With regard to treatment of paid staff and volunteers, the Senior Minister may not cause or allow conditions which are inhumane, unfair, disrespectful, or otherwise contrary to Unitarian Universalist principles and values.

Accordingly, the Senior Minister shall not:

1) Illegally discriminate (as defined by city, state and federal laws) among existing or potential staff or volunteers.

Senior Minister Interpretation: Discrimination occurs when an employee suffers unfavorable or unfair treatment due to their race, religion, national origin, disabled or veteran status, or other legally protected characteristics. Federal law prohibits discrimination in a number of work-related areas, including recruiting, hiring, job evaluations, promotion policies, training, compensation and disciplinary action.

Compliance will be demonstrated by following the Equal Employment Opportunity (EEO) for all interviews, hiring, and review processes, as they relate to churches. Compliance will be demonstrated by all hiring advertisements including EEO language. Compliance will also be demonstrated by following a clear evaluation/feedback process, including the format of "verbal warning, first written warning, and 2nd written warning," before any employee is terminated.

With volunteers, compliance will be demonstrated by an annual survey asking participants if they've been discriminated against. Further, First Universalist's grievance procedure allows for people to seek recourse if

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they feel they've been discriminated against. Finally, Federal Labor Posters, posted in the staff break room, are resources for employees.

(NOTE: Religious Organization Exception: Under Title VII, religious organizations are permitted to give employment preference to members of their own religion. The exception applies only to those institutions whose "purpose and character are primarily religious." Factors to consider that would indicate whether an entity is religious include: whether its articles of incorporation state a religious purpose; whether its day-to-day operations are religious (e.g., are the services the entity performs, the product it produces, or the educational curriculum it provides directed toward propagation of the religion?); whether it is not-for-profit; and whether it affiliated with, or supported by, a church or other religious organization.

This exception is not limited to religious activities of the organization. However, it only allows religious organizations to prefer to employ individuals who share their religion. The exception does not allow religious organizations otherwise to discriminate in employment on the basis of race, color, national origin, sex, age, or disability. Thus, a religious organization is not permitted to engage in racially discriminatory hiring by asserting that a tenet of its religious beliefs is not associating with people of other races.

Ministerial Exception: Courts have held that clergy members generally cannot bring claims under the federal employment discrimination laws, including Title VII, the Age Discrimination in Employment Act, the Equal Pay Act, and the Americans with Disabilities Act. This "ministerial exception" comes not from the text of the statutes, but from the First Amendment principle that governmental regulation of church administration, including the appointment of clergy, impedes the free exercise of religion and constitutes impermissible government entanglement with church authority. The exception applies only to employees who perform essentially religious functions, namely those whose primary duties consist of engaging in church governance, supervising a religious order, or conducting religious ritual, worship, or instruction. Some courts have made an exception for harassment claims where they concluded that analysis of the case would not implicate these constitutional constraints.)

2) Subject staff or volunteers to unsafe or unhealthy conditions.

Senior Minister Interpretation: I interpret "unsafe and unhealthy" conditions as places or spaces where staff and volunteers are in physical danger (fear of physical danger or physical abuse), or feel emotionally unsafe (fear of verbal abuse).

Compliance will be demonstrated by annual end of church year staff and volunteer survey, asking "Did you feel you were in any unsafe or unhealthy conditions?"

Compliance will also be demonstrated by following specific policies in the Employee Handbook that relate to a "harassment free environment," how to access the Grievance Policy.

Compliance will be demonstrated by updated the Employee Handbook and the Grievance Policy.

3) Withhold from staff or volunteers a due-process grievance procedure, able to be used without bias.

Senior Minister Interpretation: Compliance will be demonstrated by including Grievance Procedure in Employee Handbook, and Volunteer Handbook, as well as by an annual end of church year staff and volunteer survey, asking "If you had a grievance, were you able to access the grievance procedure?"

4) Prevent staff or volunteers from grieving to the Board when:

a) Internal grievance procedures have been exhausted and (*NOTE: WHAT IS THE CURRENT INTERNAL GRIEVANCE PROCESS? (Not the one the Board has...but a general grievance process?)*)

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b) 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.

Senior Minister Interpretation: Compliance will be demonstrated by an annual end of church year staff and volunteer survey, asking "If you had a grievance, were you able to access the Board's grievance procedure?"

5) Neglect the staff and volunteers' need for supervision.

Senior Minister Interpretation: Compliance will be demonstrated by following a performance review process with staff, by having a staff liaison linked to each group in the church and having them report on the volunteer's work (those reports are a sign of volunteer "supervision.")

6) Fail to ensure that staff are provided and comply with updated employment policies.

Senior Minister Interpretation: All new hires, as part of their orientation, will read the updated employee handbook (still in the process of updating!), and sign off that they have read and understand it. This will demonstrate compliance.

C. Communication to the Board and Congregation

The Senior Minister shall insure that the Board and Congregation are fully informed concerning important issues, and that the Board is, to the degree possible, supported in its work.

Accordingly, the Senior Minister shall not fail to:

1) Inform the Board in a timely manner of any relevant trends, issues, or events affecting the health of the organization.

Senior Minister Interpretation: In general, I interpret "timely manner" to be within a month. Thus, I imagine most of my informing to happen with the Board, in person, at Board meetings. However, if there are significant financial or pastoral issues that need church wide immediate attention, I interpret "timely manner" as within a 48 hour period. Compliance will be demonstrated by regular, monthly board reports on trends, issues, and events, impacting the health of the organization.

2) Submit monitoring information required by the Board in a timely, accurate and understandable fashion.

Senior Minister Interpretation: (Do we have a concrete monitoring schedule in place yet?)

3) Gather as many staff and external points of view, issues and options as needed for fully informed Board decisions.

Senior Minister Interpretation: I am not sure how to interpret "external points of view." For now, I will interpret it as "viewpoints and perspectives not currently known to the Board of Trustees."

I interpret "as needed" as requested by board. Thus, compliance will be demonstrated by having at last three "points of view," or "issues," or "options," for the board to consider as they strive to make a fully informed decision.

4) Develop and maintain a calendar for the Church year that is publicly accessible.

Senior Minister Interpretation: I interpret "publically accessible," as being accessible to the public, i.e., the greater Minneapolis (and Twin Cities) Community. Thus, the calendar must be online if it is to be accessible. I interpret "calendar" as including significant church events, i.e., the worship schedule and themes, and other church events that would be of interest to the general public. Compliance will be demonstrated by having the website up to date, and having six weeks of upcoming programming available online.

5) Advise the Board of any deviations from established policy or to recommend changes in such policies whenever the need for revision comes to their attention within 30 days.

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Senior Minister Interpretation: Compliance will be demonstrated by Board reports that indicate deviations from policy or recommended policy changes since the Board last met. If a Board meeting is cancelled, electronic copies of the Report will be email or sent by postal mail.

6) Ensure that a complete and current set of all Church operating policies is readily accessible to all Church members at all times.

Senior Minister Interpretation: Compliance will be demonstrated by having the Policies available online and in the church office.

D. 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 Members or Board has formally and explicitly adopted as positions of record.

Nothing in this policy shall be construed to infringe upon the fundamental principle of "freedom of the pulpit".

Senior Minister Interpretation: I will only publically express viewpoints on established positions by the board. Compliance will be demonstrated by only publically speaking and representing the church on established positions. (What are the Board's established positions?)

E. Compensation and Benefits

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

Accordingly, the Senior Minister may not:

1) Promise or imply permanent or guaranteed employment.

Senior Minister Interpretation: With the exception of the called ministers, all employees, as reflected in the Employee Handbook (when it's done!), are "at will employees." Compliance will be demonstrated by employees signing off that they've read and understand the employee handbook.

2) Establish current compensation and benefits that:

a) Deviate materially from the nonprofit or geographic market for the skills employed.

Senior Minister Interpretation: Compliance will be demonstrated by annual comparison to the Unitarian Universalist Associations standards as well as local nonprofit standard for similar jobs in similar markets. (I think Patti can recommend a specific we can follow).

b) Create obligations over a term longer than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.

Senior Minister Interpretation: I interpret "obligations" as legal, financial obligations. Compliance will be demonstrated by not signing any contracts that don't have an escape clause after one year.

c) Fail to align compensation with accurate measures of employee performance.

Senior Minister Interpretation: "Employee Performance" will be based on performance reviews, time since last raise, amount of church revenue, and the pay rate for comparable positions.

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3) Establish deferred or long term compensation and benefits that:

Senior Minister Interpretation: I interpret "long term" as anything over a year. Thus, all benefits will exist for one year and can change from year to year.

a) Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs.

Senior Minister Interpretation: No new benefit is offered without the full costs being known before First Universalist enters into the program.

b) Provide less than some basic level of benefits to all full-time employees.

Senior Minister Interpretation: define basic level of benefit?...I'm sure there's a state definition?

c) Allow any employee to lose benefits already accrued from any forgoing plan.

Senior Minister Interpretation - ????? I am not sure what this means.

F. Financial Planning

With respect to planning fiscal events, the Senior Minister may not jeopardize either programmatic or fiscal integrity of the organization. The Board must review and approve the annual budget, with sufficient information to permit reasonable Board evaluation in the light of the Church's policies, priorities, and resources, by the April Board meeting of each year. The Senior Minister will present the draft budget to the finance committee for review and comment in March of each year.

Accordingly, the Senior Minister may not cause or allow fiscal projections that:

1. Contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions.

Senior Minister Interpretation: Compliance will be demonstrated by sharing the income statement, cash flow statement, and the balance sheet with the Board.

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

Senior Minister Interpretation: I interpret this to mean that the Church won't exceed the proposed budget.

3. Do not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over \$2,500.00 each.

Clarity on what asking for here?

Senior Minister Interpretation: (Compliance will be demonstrated by presenting a plan to pay for all capital expenditures over \$2,500.

4. Deviate materially from board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.

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Senior Minister Interpretation: Compliance will be demonstrated by following current policy and not exceeding proposed church budget.

G. Financial Condition

With respect to the actual, ongoing condition of the organization's financial health, the Senior Minister may not cause or allow the development of fiscal jeopardy, loss of allocation integrity, or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly, the Senior Minister may not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (next item) is met.

*Senior Minister Interpretation: Compliance will be demonstrated by quarterly budget reports that track key income and expense numbers.
(see f 2)*

2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.

Senior Minister Interpretation: Other limitations speak to this (can't spend more than \$2500 on capital expenses, can't enter contracts more than a year in length, can't do benefits with no understanding of costs.) Compliance will be demonstrated by budget reports that highlight the church's debt obligations as well as church revenue.

3. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

Senior Minister Interpretation: First Universalist will monitor cash flow weekly, projecting, make sure we have the amount needed to settle payroll, etc. If not, we'll notify board.

4. Expend any endowment or designated funds other than for the purposes determined at time of receipt or designation.

Senior Minister Interpretation: Compliance will be demonstrated by accounting for money spent from endowment and designated funds and including this in a Board Report.

5. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days.

Senior Minister Interpretation: I can move money around as needed in order to meet the requirements of the Executive Limitations, as long as it is returned in 30 days.

6. Allow actual allocations to deviate materially from board priorities in Ends policies.

Senior Minister Interpretation: Allocations will not go to non-ends related activities.

7. Borrow funds on other than the short-term basis as defined and outlined in these

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policies.

Senior Minister Interpretation: No interpretation needed.

8. Make unbudgeted transfers or “loan” between the general funds and the endowment funds without Board approval.

Senior Minister Interpretation: Compliance will be demonstrated by taking all such “transfer” or “loan” requests to the Board of Trustees.

9. Fail to provide cash reconciliations or to inform the Board in writing concerning actual revenues and expenditures, for appropriate comparison and projections, at a frequency specified by the Board

Senior Minister Interpretation: Compliance will be demonstrated by quarterly reports to the Board that have comparisons and projections.

10. Deny reasonable access to financial records by the Board, its committees, and authorized outside advisors.

Senior Minister Interpretation: I interpret “reasonable access” to mean that within three days of written notice, I’ll provide Board access to financial records. Even in my absence, there will be system in place to respond.

H. Asset Protection

The Senior Minister shall not allow the assets of the church to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, the Senior Minister may not:

1. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.

Senior Minister Interpretation: I interpret this to mean that we always carry insurance that covers theft and loss.

2. Fail to insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Minnesota non-profit organizations.

Senior Minister Interpretation: I interpret this to mean that we always carry insurance that covers corporate and personal liability of board members and staff.

3. Allow un-bonded personnel access to material amounts of funds.

Senior Minister Interpretation: My interpretation is that anybody who handles money is covered under our insurance policy.

4. Subject plant and equipment to improper wear and tear or insufficient maintenance.

Senior Minister Interpretation: I interpret this to mean that the condition of the physical plant is well kept. Compliance is demonstrated by a regular maintenance plan, furnace check, cleaning service, building improvements, etc.

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Compliance will also be demonstrated by a staff and member survey asking, "Is the church in good physical shape?"

5. Unnecessarily expose the organization, its board, or staff to claims of liability or risk the nonprofit status.

Senior Minister Interpretation: a) Ensure proper coverage including liability insurance. B) Be in compliance with all non-profit laws.

6. Make any purchases not provided for in either the capital expenditure or operational projections.

*Senior Minister Interpretation: Compliance is demonstrated by reporting on all capital expenses per limitation (G 5)
2nd part: Compliance demonstrated by meeting operationally projections of budget.*

7. Make any planned purchase of over \$10,000.00 without at least two competitive bids.

Senior Minister Interpretation: I cannot make any planned purchases without two competitive bids. (What's the board getting at here? Go with cheap bid? Or just have two bids...a good idea, in any event!)

8. Receive, process, or disburse funds under controls insufficient to meet generally accepted accounting standards.

Senior Minister Interpretation: Have an outside audit (every 5 years) of our accounting practices to ensure compliance with accepted standards.

9. Fail to invest foundation and church capital in accordance with the investment Policy.

Senior Minister Interpretation: (I need to see investment policy.) Follow investment policy.

10. Fail to protect intellectual property, information, and files from significant damage.

*Senior Minister Interpretation: 3 parts...
Intellectual Property:*

11. Endanger the church's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.

Senior Minister Interpretation: In public forums, speak for Church only on issues that Board or membership have agree upon. Be in compliance with Policy D.

12. Solicit funds from members or external sources for purposes that deviate materially from Board stated priorities and requirements.

13. Fail to honor documented donor and source restrictions placed on foundation, legacy and opportunity funds.

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I. Emergency Succession

In order to protect the church from sudden loss of the Senior Minister's services, the Senior Minister may not:

1. Have fewer than two other staff members familiar with board issues and processes. 2. Fail to have a plan in place for the continuation of full ministerial services in the event of the Senior Minister's absence.

Senior Minister Interpretation: Need to have an emergency succession plan.

J. Core Values

In all programs, activities and relationships, the Senior Minister shall not operate out of compliance with the core values of the First Universalist community as expressed in Section I.C. of this handbook.