

First Unitarian Universalist Society of San Francisco

GOVERNANCE POLICIES

Revision History	
October 10, 2000	Policy Package Adopted
January 9, 2001	Added III. G. "Policy on Delegates and Elected Offices" and renumbered following paragraph
March 13, 2001	Added more detailed ends policies
June 12, 2001	Changed composition of Executive Team to replace the Assistant Minister with The Executive Director (effective 7/1/01)
July 10, 2001	Revised Section III.C, "Planning Process," to describe Annual Informational Memo, and revised Section II.E.3 and II.E.4 to refer to AIM instead of Annual Plan
July 10, 2001	Added III.A.3 and III.A.4 to Board Governance Style
July 10, 2001	Added Section II.N, "Affiliation of Community Ministers and Ministry."
November 13, 2001	Rescinded Section III.B.5(d) that specifies asset allocation, as the Investment Committee reports directly to The Executive Team. The Board requests that The Executive Team devise recommended investment objectives by individual fund.
July 13, 2004	Changed composition of Executive Team to replace Co-Ministers with Interim Minister (effective July 1, 2004).
June 13, 2006	Major revision to entire document, including reordering of sections, addition of Board-Committee section, revisions to ends (renamed values) and removal of text unrelated to the Board's governance. Approved on a provisional basis, pending further review in Fall 2006 with the newly called minister.
November 21, 2006	Consolidation of Executive Team reporting requirements (see table in III.F)
June 17, 2008	Revision to executive team reporting structure. Changed "Executive Team" to "Senior Executive."
July 15, 2008	Revised Grievance/Complaint Procedure (Section II.G)

Consistent with our denomination's policy of congregational polity, ultimate authority for the Society—including its mission, ministerial leadership, and resources allocation—lies with the members of the congregation. As described in the Society's bylaws, the Society meets annually to elect the Board of Trustees, which governs the congregation between annual meetings. This governance document is intended to be a working document that provides a framework within which the Board, The Senior Executive and Committees act to fulfill the Society's mission. If any policies herein are in conflict with the Society's bylaws, the policies set forth in the bylaws supercede this document.

MISSION STATEMENT:

The Mission of the First Unitarian Universalist Society of San Francisco is to be a sanctuary for individual religious growth and learning, to celebrate life and worship in diverse fellowship, to bear witness to suffering and joy, and to work for peace and justice in our world.

I. VALUES

Religious Sanctuary:

The First Unitarian Universalist Church of San Francisco fosters lifelong spiritual growth and learning in each individual and as a community. We offer opportunities to examine and explore diverse beliefs, to help people of all ages find a fulfilling spiritual path.

Celebration and worship:

Worship is central to our community. We honor diverse faiths and beliefs through many forms of worship, including our Sunday morning services and programs for children, as well as other worship venues. Our worship reflects diversity in music and other arts.

Bearing witness

We support one another in our spiritual journeys and in the sorrows and joys of daily living. We recognize life's passages, providing comfort and aid, where needed. We support one another in our daily lives, offering comfort and aid in times of sorrow and joining together to celebrate when we are filled with joy.

Service:

We honor the Unitarian Universalist denomination's rich tradition of working for peace and justice. Through education, advocacy, witnessing and service, we strive for greater justice through our ministries to each other, the larger community and throughout the world.

Stewardship:

We share human and financial resources generously to support our congregation and our vision. Our buildings and grounds are welcoming, inspiring, well maintained and accessible to all.

II. THE BOARD OF TRUSTEES

Working on behalf of the Membership of the Society, the purpose of the Board of Trustees is to assure that the First Unitarian Universalist Society of San Francisco (1) fulfills its Mission Statement and works to achieve its Values with appropriate use of its resources and (2) avoids unacceptable actions and situations as defined in the Bylaws and these Policies.

A. BOARD JOB DESCRIPTION: The job of the Board is to represent and lead the Membership in establishing goals and defining appropriate organizational performance. These responsibilities are subject to provisions in the Bylaws defining the respective responsibilities of the Board, the Congregation, and the ministers.

In this spirit, the board has the following primary functions

- To maintain clear, consistent communication and consultation with the congregation.
- To establish broad policies and clear, measurable goals to guide FUUSSF in fulfilling its mission;
- To be accountable for achieving goals by monitoring church's performance in carrying out policies and its progress in achieving goals;
- To establish ethical standards for church operations and be accountable for avoiding unacceptable actions and situations, through monitoring Church and The Senior Executive activities (*unacceptable actions are described under Section IV*)

The "products" or job contributions of the Board shall be:

1. Written governing policies that, at the broadest level, address each category of organizational decision:
 - a. Goals: What benefits for what needs, at what cost.
 - b. Governance Process: Specification of how the Board conceives, carries out, and monitors its own tasks.
 - c. Board-Senior Executive Relationship: How power is delegated and its proper use monitored.
 - d. Senior Executive Limitations: Boundaries of authority and ethics to be observed by The Senior Executive.
 - e. Board-Committee Relationship: How the Board delegates authority to Committees to achieve priority goals and monitors committee work.

2. A long-term (multi-year) Plan designed to set forth major goals for the Society (“Plan”).
3. An annual budget to recommend to the Society’s membership.
4. The assurance of The Senior Executive performance in accomplishing goals, maintaining the relationship with the Board and complying with limitations. (See II.A. 1a, 1c, and 1d.)

B. PROCESSES: To accomplish its job with a governance style consistent with Policies, the Board will have primary responsibility for the following process:

1. Long-term Plan.
 - a. The Board will establish measurable priority goals. The Board will aim to coordinate completion of the Plan with established administrative planning and budgeting timelines.
 - b. The Board will consult extensively with the congregation and The Senior Executive, when devising the Plan and establishing the priority goals. In determining strategies for achieving goals, the Board will consult extensively with church committees and The Senior Executive.
 - c. The Board will create a roadmap for implementing the Plan, including implications for the operating budget and other church resources.
 - d. As part of its monitoring function, the Board will assess progress on the Plan, involving The Senior Executive and committees, as appropriate for specific components of the Plan. This monitoring function will be integrated into the Board’s regular meetings throughout the year.
 - e. In devising the Plan, the Board will consider means of improving Board performance through Board education, and re-exploration.
2. Budget:
 - a. The Board shall annually set the date by which The Senior Executive must submit a proposed balanced budget to the Board.
 - b. The Board will recommend a budget to the membership. This budget will reflect the Plan and divide anticipated expenditures among a small number of general categories. The Board may provide the membership with more detailed information on anticipated expenditures; but, in order not to interfere with the discretion of The Senior Executive, the Board will recommend that the budget approved by the membership include only the general categories.
 - c. The Board will, on an annual basis, establish specific expenditure limits in the following categories,

- the “Grant Award Limit” referenced in IV.G.1
- the “Contract Limit” referenced in IV.I.1
- the limit above which a single purchase or commitment requires a competitive bid, as outlined in IV.I.2

The current values of these amounts are listed in a table at the end of these policies.

C. GOVERNING STYLE: The Board will govern with an emphasis on (1) vision, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative or programmatic detail, (4) clear distinction of Board and Senior Executive and Committee roles, (5) collective rather than individual decisions, and (6) focus on the future while learning from the past and present.

In this spirit, the Board will:

1. Focus chiefly on establishing and monitoring Goals, not on the administrative or programmatic strategies of attaining Goals. However, the Board is expected to be familiar with The Senior Executive and Committees’ broad strategies for achieving Goals. The Board is also expected to monitor and provide feedback on progress towards Goals.
2. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to policymaking principles, respect for defined roles, and to attendance. After subjects have been discussed and voted upon, both majority and minority will support the action taken.
 - a. Be accountable to the Congregation and other stakeholders for competent, conscientious, and effective accomplishment of its obligations as a body. While focusing chiefly on Goals, the Board gives direction to and monitors the progress of The Senior Executive and Committees concerning the selected Strategies, particularly when the Strategies fail to meet selected Goals as determined by the Board.
 - b. Allow no officer, individual, or committee of the Board to hinder effective governance process. Board members' interaction with The Senior Executive, staff or Committee members must recognize the lack of authority in any individual member or subgroup of Board members.
 - c. Board members' interaction with the public, press, or other outside entities must recognize the same limitations and the similar inability of any member, except the Moderator, to speak for the Board.

D. MODERATOR'S ROLE: The Moderator (1) assures the integrity of the Board's process, (2) typically represents the Board to outside parties, (3) presides at meetings of the Board and of the Society membership, and (4) fulfills other such duties and responsibilities as may be assigned by the Board or the Society.

In this spirit,

1. The job of the Moderator is to ensure that the Board operates consistently with its own rules and those legitimately imposed upon it from outside the Society.
 - a. Meeting discussion content will address those issues that, according to Policy, clearly belong to the Board to decide or relate to the Board's monitoring function.
 - b. Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited to time, and kept to the point.
 - c. Roberts' Rules will be observed, except where the Board has superseded them.
 - d. The Moderator creates the Board meeting agenda with the steering committee
2. The authority of the Moderator consists of making decisions on behalf of the Board that fall within or are consistent with Policies on Governance Process and on Board-Senior Executive Relationship.
 - a. The Moderator is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).
 - b. The Moderator's authority does not extend to making decisions within Values and Senior Executive Limitations policy areas, each of which is within the purview of The Senior Executive.
 - c. The Moderator does not supervise or otherwise direct The Senior Executive.

E. BOARD MEMBERS' CODE OF CONDUCT: The Board commits itself and its members to ethical and businesslike conduct, including proper use of authority and appropriate decorum when acting as Board members.

In this spirit,

1. Board members must represent unconflicted loyalty to the interests of the Congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. This accountability supersedes the personal interest of any member acting as an individual congregant.
2. Board members must avoid any 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 member and the Society except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.

- b. Board members must not use their positions to obtain for themselves, family members, or close associates employment within the Society.
- c. Should a member be considered for employment by the Society, she/he must temporarily withdraw from Board deliberations, voting, and access to applicable Board information.
- d. Should a member be employed by the Society or act as a paid consultant, she/he must resign from Board service.

F. MONITORING BOARD PERFORMANCE: The Board will systematically and rigorously evaluate its own performance in accomplishing the yearly plan.

G. BOARD AND SENIOR EXECUTIVE COMPLAINT AND INQUIRY

PROCESS: In a religious community conflict and disagreement is to be expected. Procedures spelled out below are guided by the following principles: We should listen carefully to those with whom we are in conflict, assume best motivations, and discuss differences frankly and honestly in a spirit of love, forgiveness and compassion. It is the intent of the Board to be accessible and responsible to the congregation and other stakeholders, but it is not a function of the Board to resolve complaints or grievances that are not directly related to the Board's policy making and policy monitoring functions.

When individual Board or staff members receive complaints from members of the congregation, the following process will be followed:

- (1) First and foremost, the Board member will encourage the complainant to contact the appropriate person, not a third party, and assist the complainant (s) in locating the correct person. If unsure of how to direct the complainant, the Board Member may wish to consult with the Board Moderator, Vice Moderator or Senior Executive. It should be recognized that sometimes a member of the congregation will, for whatever reason, feel uncomfortable approaching a staff member. In these cases, the member may speak to the person's supervisor, or, in the case of the Senior Minister, to the Ministerial Relations Committee.
- (2) The Board member will notify the Senior Executive, Moderator and Vice Moderator about the complainant(s), the nature of the complaint and any assistance offered.
- (3) Staff members receiving a complaint should consult with the Senior Executive to determine whether the issue requires Board involvement. If the Senior Executive is unsure, he should consult with the Moderator or vice Moderator to determine the appropriate channel for the complaint.
- (4) The Board will only get involved in resolving a complaint if the issue related to the Board's policy making or monitoring function. In such situations, the Board

will analyze and then resolve the problem, for example, through creating new or adjusting existing policies. The complainant will be notified of any changes in policy related to the complaint. The Board will not involve itself when staff are implementing policies in a way that is consistent with the Church's policy governance framework.

(5) In rare cases, the Board, in consultation with the Senior Executive, may choose to take a more direct role if a dispute seriously affects the harmony of the Church family. The Moderator and Vice Moderator, become involved between Board meetings. These Board officers will inform the entire Board immediately in such cases.

In their interactions with other congregants, Board Members must be conscious that individuals may hold misconceptions concerning the amount of power or influence possessed by Board Members, simply based upon the fact that they are Board Members. Board Members should err on the side of caution in word and in action, lest their actions be presumed to represent the will of the Board. The Board speaks with one voice, and not through any one member (unless s/he is authorized to do so by vote).

III. BOARD-EXECUTIVE LINKAGE

The Board will hold The Senior Executive accountable for the operational organization, its achievements and conduct.

- A. THE SENIOR EXECUTIVE:** The Senior Executive shall be defined by the Board and shall usually be the Senior Minister of the Society. In the event that the Senior Minister is unable to serve due to an emergency, the Executive Director will assume responsibility until the Board has designated a temporary replacement. In consultation with the Board, the Senior Executive may create an Executive Team consisting of other senior staff that report directly to the Senior Executive. Only the Senior Executive reports directly to the Board.
- B. THE STEERING COMMITTEE:** The Steering Committee consists of the Moderator, Assistant Moderator, Secretary, Treasurer, Senior Minister, and Executive Director. This committee meets about one week before the Board meeting to discuss any relevant items and determine the agenda of the next Board meeting.
- C. UNITY OF CONTROL:** Only decisions of the Board acting as a body are binding on The Senior Executive.

 - 1. Decisions or instructions of individual Board members, officers, committees or Society members are not binding on The Senior Executive except in rare instances when the Board has specifically authorized such exercise of authority.
 - 2. If Board members, committees or Society members request information or assistance from The Senior Executive without Board authorization, The Senior Executive is expected to decline requests that they determine are disruptive or take a material amount of staff time or funds.
- D. ACCOUNTABILITY OF THE SENIOR EXECUTIVE:** The Senior Executive is the Board's link to operational achievement and conduct. The Senior Executive has all authority and accountability for paid staff (including non-employee consultants) and those committees and volunteers required to support the daily operational organization.

 - 1. Board members and officers will not give instructions to staff who report, directly or indirectly, to The Senior Executive and will refrain from evaluating them, either formally or informally.
 - 2. The Senior Executive is accountable to the Board for progress toward priority goals.

E. DELEGATION TO THE SENIOR EXECUTIVE: The Board's job is generally confined to establishing high-level policies and planning, leaving implementation and subsidiary policy development and planning to The Senior Executive. Accordingly, the Board will develop priority goals to be achieved and proscribe executive limitations to be adhered to. In addition, the Board and Senior Executive will jointly develop a plan to accomplish priority goals, identified in consultation with the congregation, for each program year. The Board will allow The Senior Executive to use any reasonable interpretation of these policies and plans. If organizational priority goals are not being achieved, the Board may find it necessary to work with The Senior Executive to identify obstacles, make suggestions or instruct The Senior Executive via additional executive limitations.

1. The Board will develop priority goals, in consultation with the congregation, instructing The Senior Executive to achieve certain results, for certain recipients, within a specified budget. These priority goals will be developed systematically from broadest, most general level to more defined levels. Each year an agreed upon plan will be developed to work toward the priority goals.
2. The Board will develop executive limitations that define the latitude The Senior Executive may exercise in choosing how to accomplish the priority goals. These limitations will be developed systematically from the broadest, most general level to more defined levels.
3. The Senior Executive will use any reasonable interpretation of the Board's priority goals and executive limitations, and is thus authorized to establish further policies, make all decisions, take all actions, establish all practices, and develop all activities. Should The Senior Executive deem it necessary to deviate from priority goals or executive limitations, it shall immediately inform the Moderator and the Board at the next scheduled meeting. This notification does not exempt The Senior Executive from subsequent Board action, nor does it impede Senior Executive decision.
4. The Board may change the priority goals and executive limitations, thereby changing the latitude of The Senior Executive.

F. MONITORING SENIOR EXECUTIVE PERFORMANCE: Systematic and rigorous monitoring of Senior Executive job performance will be made in light of the organizational accomplishment of priority goals within the boundaries of The Senior Executive limitations and the yearly plans.

1. The Senior Executive will make monthly reports to the Board reflecting progress toward the established priority goals and any deviation from The Senior Executive limitations.
2. The Senior Executive shall provide the Board a review of the major programs of the Society (e.g., Religious Education, Art & Music, Social Justice, Ministry) when requested, but at least annually.

3. Yearly, the Board will evaluate The Senior Executive’s success in accomplishing the established priority goals within the executive limitations.

G. COMMUNICATION AND SUPPORT TO THE BOARD: The Senior Executive shall not cause or allow the Board to be uninformed or unsupported in its work.

In that spirit, The Senior Executive and staff members of the steering committee shall:

1. submit monitoring data required by the Board in a timely, accurate, complete, and understandable fashion, directly addressing provisions of Policies (see table below).
2. present all other types of information to the Board in a manner that is timely, accurate, complete, concise, understandable, and facilitates decision-making.
3. inform the Board in a timely manner of relevant trends, public policy initiatives, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Policy has previously been established.
4. advise the Board if The Senior Executive perceives the Board to be out of compliance with its own policies on Governance Process and Board-Executive Linkage, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and The Senior Executive.
5. recommend changes in Policies, the need for which become known to them.
6. deal with the Board as a whole except when fulfilling individual requests for information, or responding to members duly charged by the Board.
7. report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
8. supply for the consent agenda all items delegated to The Senior Executive yet required by law, Bylaws, or contract to be Board-approved.
9. keep the Board informed of significant problems or difficulties in church operations or policy matters, including disagreements in approach among members of the ET.

Policy	Method	Frequency
Health of Congregation <ul style="list-style-type: none"> ▪ Treatment of Congregants ▪ Treatment of Staff ▪ Executive Teamwork 	Internal	Annually

Policy	Method	Frequency
Annual Report <ul style="list-style-type: none"> ▪ Financial Condition and Activities ▪ Contract Activities ▪ Compensation and Benefits 	Internal	Annually
Strategic Plan Review	Internal	Annually
Financial Planning and Budgeting <ul style="list-style-type: none"> ▪ Includes Grant Activities 	Internal	Annually
	Audit	
Emergency Senior Executive Succession	Internal	Annually
Asset Protection <ul style="list-style-type: none"> ▪ Access to accounts ▪ Building Maintenance ▪ Update from Investment committee 	Internal	Quarterly
Financial Conditions and Activities	Internal	At least Quarterly

IV. EXECUTIVE LIMITATIONS

The Senior Executive (as defined in Policy III.A) shall not cause or allow any practice, activity, decision, or organizational circumstance that is in violation of our Unitarian Universalist principles, in violation of the Bylaws of the Society, in violation of the Society's Mission Statement, in violation of commonly accepted business and professional ethics, imprudent, or in violation of any laws. The Senior Executive shall not fail to devote Society assets to endeavors that support policies and are congruent with Unitarian Universalist principles, making its best efforts to mobilize the Congregation and staff to fulfill the Society's mission and Unitarian Universalist principles. In case of conflict among the above limitations, The Senior Executive shall abide by them in the order listed.

A. TEAMWORK: When The Senior Executive consists of more than one person, the Minister shall be primarily responsible for day-to-day implementation of Treatment of Congregants (item IV.B below). Everyone shall be jointly responsible for all other items listed in this section. *In this spirit, the Senior Executive shall not:*

1. Fail to follow the Policy and Procedures manual
2. Fail to include and consult with appropriate persons on all material issues.
3. Fail to honor and support each other's views and positions.

B. TREATMENT OF CONGREGANTS: With respect to interactions with Members, friends and visitors, (hereinafter referred to as congregants), The Senior Executive shall not cause or allow conditions, procedures, or decisions that are unsafe, disrespectful, unnecessarily intrusive, that fail to provide appropriate confidentiality or privacy, or that fail to apply the standards of the Society's Mission and Values and Unitarian Universalist principles.

C. TREATMENT OF STAFF: With respect to the treatment of paid and volunteer staff, The Senior Executive shall not cause or allow conditions that are unfair or disrespectful or that fail to apply the standards of the Society's Mission and Values and Unitarian Universalist principles.

In this spirit, the Senior Executive shall not:

1. Unlawfully discriminate against existing or potential staff.
2. Subject staff to unsafe or unhealthy conditions.
3. Fail to post in a prominent place current, established, internal complaint procedures or prevent staff from using them.
4. Fail to apply the standards of the Society's Mission, and Values to their interactions with staff.
5. Operate without written personnel policies that clarify personnel rules for paid

staff, and provide for effective handling of grievances.

6. Treat Executive Team members more preferentially than other comparable key employees.

D. COMPENSATION AND BENEFITS: With respect to compensation, employment, and benefits, The Senior Executive shall not cause or allow jeopardy to the fiscal integrity or public image of the Society.

In this spirit, The Senior Executive shall not:

1. Increase individual staff members' compensation, benefits, or allocated professional expenses as established by the Board.
2. Promise or imply guaranteed employment.
3. Establish current compensation and benefits which:
 - a. Provide less than a living wage and some basic level of benefits to all fulltime employees, though differential benefits to encourage longevity in key employees is not prohibited.
 - b. Create obligations over a term longer than revenues can be safely projected.
 - c. Exceed the Society's ability to pay given current budget constraints.
4. Establish deferred or long-term compensation and benefits which:
 - a. Cause unfunded liabilities to occur or in any way commit the Society to benefits that incur unpredictable future costs.
 - b. Allow any employee to lose benefits already accrued.

E. BUDGETING: Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Bylaws of the Society or the Board's Values, priorities, or risk financial jeopardy. The Board reaffirms the Congregation's ultimate authority to approve the annual budget of the Society, as recommended to them by the Board, in procedures described in the Bylaws.

In this spirit,

1. The Senior Executive shall not fail to provide to the Board a balanced budget proposal (i.e., expenditures do not exceed revenues) by a date specified by the Board.
2. In developing a draft balanced budget proposal, The Senior Executive shall not plan to use funds in ways that are contrary to restrictions placed by donors, the Board, or the membership of the Society.
3. In developing a draft balanced budget proposal, The Senior Executive shall

not fail to insure that allocation of Society resources reflects the priority goals of the Society.

F. FINANCIAL ACTIVITIES: With respect to the Society's actual, ongoing financial activities, including the activities related to the annual budget or other financial resources of the Society, The Senior Executive shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in *Values* policies.

In this spirit, The Senior Executive shall not:

1. Expend or invest any funds restricted by the donor, the Board, or the membership in a manner inconsistent with the restriction.
2. Expend funds inconsistently with the expenditure categories in the budget, except to the extent that transfers between categories are authorized by the Bylaws, the membership, or the Board.
3. Indebt the Society in an amount greater than can be repaid by certain, otherwise unencumbered revenues within three months.
4. Make loans between funds that cannot be repaid within three months.
5. Allow cash to drop below the amount needed to meet payroll and debts in a timely manner.
6. Fail to inform the Board in writing concerning actual revenues and expenditures and appropriate comparisons and projections, at a frequency specified in the Policy on Monitoring Senior Executive Performance.
7. Make any material purchases not provided for in either the capital expenditure or operational projections or in conflict with restrictions on the execution of contracts (see Execution of Contracts section, below).
8. Receive, process or disburse funds under controls insufficient to meet generally accepted standards.
9. Fail to maintain a policy and procedures manual outlining acceptable fiscal practices.

G. AWARDING GRANTS: No one other than The Senior Executive or their express designees shall award any grant on behalf of the Society. The Senior Executive and their express designees shall not award any grant that fails to serve the *Values* and avoid unacceptable *Strategies*.

In that spirit, The Senior Executive or their express designees shall not:

1. Award any grant in excess of the "Grant Award Limit" amount set by the Board annually.
2. Fail to oversee the approval, review and retention of grant applications
3. Fail to consider the budgetary, staff, and facility impacts of the grant award.

H. APPLYING FOR GRANTS FROM OUTSIDE FUNDING AGENCIES: No one other than The Senior Executive or their express designees shall apply for any grant on behalf of the Society from outside funding agencies. The Senior Executive and their express designees shall not apply for any grant that fails to serve the *Values* and avoid unacceptable *Strategies*.

In that spirit, The Senior Executive or their express designees shall not:

1. Fail to oversee the application, review and retention of grant applications.
2. Fail to consider the budgetary, staff, and facility impacts of the grant application.

I. EXECUTION OF CONTRACTS: No one other than The Senior Executive or their express designees shall execute any contract on behalf of the Society. The Senior Executive and their express designees shall not enter into any contractual arrangements that fail to serve the *Values* and avoid unacceptable *Strategies*.

In that spirit, The Senior Executive or their express designees shall not:

1. Fail to obtain Board approval prior to executing any contract in an amount greater than the “Contract Limit” amount set by the Board annually.
2. Make a single purchase or commitment of greater than an amount specified by the Board annually, other than for professional services, without obtaining and considering at least three bids or offers, unless under the circumstances they believe it would be manifestly unreasonable to obtain and consider multiple bids or offers.
3. Fail to seek legal advice, when necessary, to interpret and assess contractual terms.
4. Engage Non-called Ministers.

J. ACCEPTANCE OF RESTRICTED GIFTS: The Senior Executive shall not accept any gift with restrictions that are contrary to the standards of the Society’s Mission, Values, and the Unitarian Universalist principles.

K. ASSET MANAGEMENT: The Senior Executive shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked. *In that spirit, The Senior Executive shall not:*

1. Fail to adequately insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits. This paragraph does not require insurance for earthquakes.
2. Fail to insure against corporate liability and personal liability of Board members and paid staff (including part-time staff) relating to Society business, taking into account pertinent statutory provisions for indemnification and

exemptions applicable to California non-profit organizations.

3. Allow volunteer personnel access to material amounts of funds (but in no event more than \$1,000) without prior training and without having established fiscal controls.
4. Subject plant and equipment to improper wear and tear or insufficient maintenance.
5. Unnecessarily expose the Society, the Board, or staff to claims of liability or risk the Society's non-profit status.
6. The Senior Executive shall not fail to implement and adhere to a policy defining investment income and usage of funds that is consistent with the advice of the Board and the Finance Committee, within limits defined by the Board of Trustees, which shall be set as needed by economic policy.
7. Invest operating capital in insecure instruments, including uninsured checking accounts or bonds or certificates of deposit of less than A (strong) rating (under Standard & Poor's rating system) or equivalent.
8. Endanger the Society's public image or credibility, particularly in ways that would hinder accomplishment of its Mission.
9. Fail to implement the asset allocation for the Society's funds, as set annually by the Board.
10. Purchase, encumber, or dispose of real property without advance authorization from the Board.

TABLE OF LIMITS
SET ANNUALLY BY THE BOARD

Type	Limit	Date of Board Vote
"Grant Award Limit" referenced in Policy IV.G.1	\$10,000	August 15, 2007
"Contract Limit" referenced in Policy IV.I.1	\$75,000	August 15, 2007
The limit above which a single purchase or commitment requires a competitive bid, as outlined in Policy IV.I.2.	\$25,000	August 15, 2007
The asset allocation ranges for Society funds. The asset allocation will be designed to balance risk and return, as outlined in Policy IV. K. 9.	The board referred this matter to the Finance Committee for its recommendation.	August 15, 2007
Date The Senior Executive shall not fail to provide to the Board a balanced budget proposal, as outlined in Policy IV. E. 1.	April 3, 2007 (or no later than one week before the budget meeting, whichever is first)	August 15, 2007

V. BOARD-COMMITTEE LINKAGE

This section does not apply to the Society's Standing Committees (i.e., Nominating Committee, Ministerial Relations Committee, and Ministerial Search Committee), which follow different procedures (described in Section D.III of the Society's bylaws).

The Board's linkage to Committees is also addressed in the Society's bylaws (see Section VI) and in the governance process section of this document (see II.B).

A. LINES OF AUTHORITY

1. Committees are responsible to the Board.
2. The Board approves all committee charges and appoints all committee chairs.

B. LONG-TERM GOALS & COMMITTEES

1. The Board consults closely with committees to establish long-term/priority goals and to determine strategies for achieving goals (Section II.B describes the long-term planning process).
2. The Board is responsible for monitoring progress towards these goals,
3. The Board also works closely with those committees whose work is directly related to the long-term/priority goals.
4. While the Board focuses chiefly on monitoring progress towards goals, the Board may also, as part of its monitoring function, give direction related to strategies for attaining those goals, particularly when strategies fail to achieve goals.

C. BOARD LIAISON: For all committees, including those whose work is not directly related to the priority goals, the Board will link to committees through the following mechanisms.

1. The Board will review committee charges with committees on an annual basis.
2. The Board will be represented at the Council on Committees, providing a forum for Board-Committee communication. The Council is composed of committee chairs and other lay leaders. Meetings are usually convened by The Senior Executive at least twice annually.
3. When Committee chairs are vacant, the Board will work with committees, as needed, to identify new chairs.

D. SENIOR EXECUTIVE – COMMITTEE LINKAGE The Senior Executive will work closely with committees formed to carry out tasks delegated to The Senior Executive by the Board. These working relationships do not preclude the lines of authority outlined in this document or the Society's bylaws.