

**First Unitarian Society of Ithaca**  
**Board of Trustees Policy Book**  
**April 3, 2022**

## **Overview**

Using the authority the Society has given it through the bylaws, the board has adopted the following policies. The board records all of its actions in its minutes; for ease of reference, it also records in this policy book any action intended to authorize others to make decisions or to control multiple decisions over time.

## **1. Board Governance**

### **1.1. Role of the Board**

The board will govern primarily by discerning mission; planning for the future; partnering with the minister and staff; and holding leaders of the Society, including its own members, accountable for their performance.

#### **1.1.1. Annual Board Work Products**

In partnership with the minister, staff, and congregation, the board will:

- Produce and adopt an annual short list of Open Questions about the Society's future, as the basis for ongoing planning conversation in the board, with the minister and staff and with the congregation at large.
- Produce and adopt an annual Vision of Ministry, consisting of a short list of top-priority areas where the Society will advance its work in the coming year, as a starting point for budgeting and staff planning.
- Produce and adopt an annual Ministry Evaluation of the Society's success or difficulties in achieving the prior year's Vision of Ministry.
- Produce and adopt an annual, mutual, Performance Evaluation of the minister's and board's effectiveness in their respective roles.
- Review the Annual Operating Budget and Capital Budget created by the Budget Team, align the Vision of Ministry with the Annual Operating Budget, and present it to the Congregation for approval at the annual meeting.

#### **1.1.2. Less Frequent Board Work Products**

In concert with the minister, staff, and congregation, the board will:

- Produce and adopt a Triennial Evaluation of the minister's performance in their wider pastoral role. (See Section 4)
- Produce and adopt a five-year Strategic Plan, to be updated every three years, consisting of a short list of the most important results the board intends to achieve through the Society's ministry and the strategic choices (regarding program, membership, capital and operating budgets and staffing) the board has made about how to achieve those results. An element of this Plan will assess the long-range financial health of the Society.
- Produce and adopt a Mission Statement, to be updated as needed, that articulates the Society's purpose and related statements (vision, values, and a tagline) to communicate the reasons for the Society's work.

## **1.2 Board Officers**

In addition to the duties defined by the bylaws, the officers have the following responsibilities:

**1.2.1 The Board President** arranges for the preparation of the board's agenda, facilitates or arranges for facilitation of board meetings, and works in partnership with the minister to ensure productive relationship between the board and staff.

**1.2.2. The Vice President** assists and substitutes for the board president upon request, is responsible for leading the board's planning working, including planning conversations with members and friends of the Society.

**1.2.3. The Clerk** ensures the safety and accuracy of board records, including the minutes and these policies. In cooperation with the staff, the Clerk sees that minutes and board policies are promptly posted on the Society website.

**1.2.4. The Treasurer** supports fulfillment of the board's financial oversight responsibilities by working with the staff to ensure that appropriate financial reports are made available to board members on a timely basis. The Treasurer serves on the Finance Committee and is responsible for directing the annual financial audit or review and therefore plays no direct role in financial management. The Treasurer will work with the minister to lead the Budget Team.

## **1.3 Board Committees**

Committees exist to help the board to govern and not for administration or program management or to make decisions in the board's behalf. (To manage programs, finances, and operations, the Society uses Ministry Teams responsible to the staff.) The standing board committees are:

### **1.3.1 Finance Committee**

Assists the board in its oversight of the congregation's finances, ensures that routine financial reports are clear and helpful, and coordinates the annual audit. From time to time, holds educational sessions to ensure that board members have adequate understanding of the congregation's financial status and goals. The committee has no management authority and does not participate in day-to-day financial decision making.

### **1.3.2 Endowment Committee**

Appointed by the Board, this committee oversees the investment of the Society's Endowed Funds, according to the bylaws and Board policies. The Committee reports annually to the Board on the health and status of the Endowment. This report must be received in time for the January board meeting, in a format stipulated by the board.

### **1.3.3 Personnel Committee**

Assists the board in developing personnel policies, ensuring compliance with applicable laws, and carrying out the staff-grievance process as defined by these policies. The Committee has no staff management authority and does not participate in supervision or personnel decision-making. When it is necessary to hold a hearing on a staff grievance, the board will appoint an ad hoc committee in each case.

### **1.3.4 Governance Committee**

Helps the board to focus on its chosen role, to recruit and train board members, and to lead the annual board self-evaluation process.

### **1.3.5 Nominating Committee**

In addition to the duties prescribed by the bylaws, consults annually with the board and Governance committee to ascertain future leadership needs in the light of members who are rotating off the board.

### **1.3.6 The Board Executive Committee**

Consists of the elected officers of the board.

In addition to standing committees, the board may also appoint **temporary or ad hoc committees** or task forces to function for a short period of time. The ad hoc committee's work is to support and educate the board so that the board can have thorough conversation on a specific topic and make a well-informed decision.

## **1.4 Expectations of Board Members**

### **1.4.1 Board Covenant**

The board will develop its own covenant of shared behavioral expectations and reviews it annually. New members of the board are to be brought into covenant and invited to participate in reshaping it. The annual Board Covenant will address basic duties, behavioral expectations, and decision-making and conflict management.

### **1.4.2 Conflicts of Interest**

The Board expects all of its members to loyally carry out their duties to the Society and its mission. A conflict of interest exists whenever a Board member has interests, duties or other bias that may hinder or appear to hinder the Board member from fulfilling this duty.

#### **1.4.2.1 Definition**

Conflicts of interest arise when the Board member:

- Stands to gain or lose financially because of an action of the Society in which they have a decision-making role.
- Cannot set aside their personal preferences as an individual consumer of the Society's services to act in behalf of the whole Society and its mission.
- Faces any other situation that impairs or reasonably appears to impair their independence of judgment.
- Has a close relationship with someone who has a conflict of interest, as defined here. A close relationship includes any person, corporation, or other business entity with which the Board member has a close personal, family, or business relationship.

#### **1.4.2.2 Conflict-of-Interest Disclosure**

The board will annually require its members to disclose in writing all existing or foreseeable conflicts of interest. Disclosure forms must be kept by the Clerk and made available to any member of the Board who asks to see them.

#### **1.4.2.3 Conflict-of-Interest Process**

When a board member reports a potential conflict of interest related to a matter before the Board, the board (minus the affected member) will determine how to handle the situation. Possible responses include:

- Disclosure in the board minutes of the nature of the conflict.
- Leaving the room during all board discussions and votes related to the conflict of interest.
- Resignation from the board.

#### **1.4.3. Discipline and Removal of Board Members**

In exercising its power under the bylaws to remove an officer or board member, the board will follow the following procedures:

**1.4.3.1 Removal for Misconduct.** The Clerk will notify the member in writing and offer a hearing before the board. Pending such a hearing, the board may suspend the member's voting privileges.

**1.4.3.2 Removal for Absence from board meetings.** If an officer or board member misses more than three meetings in a twelve-month period, without prior notification of their planned absence, then the Clerk will notify the member in writing that the member may appear at the next meeting to ask the board to excuse the absences, or the board will request the member's resignation.

### **1.5 Auxiliary Organizations**

Auxiliaries are chartered by the board to further the mission and goals of the Society. Their bylaws, including any amendments, must be approved by the board, and their officers must promptly file all of the official minutes and financial reports with the church office. And make other disclosures or reports as the board or staff may require in order to ensure compliance with the Society's nonprofit and tax exempt status. The current auxiliaries are:

#### **1.5.1 Hazel's Backyard Memorial Garden**

## **1.6 Endowment Fund**

The Endowment includes all funds intended to be held in perpetuity to provide a long-term stream of income in support of the Society's mission. The board places funds in the Endowment either by accepting gifts restricted by the donor to Endowment use or by placing funds into the General Endowment Fund.

### **1.6.1. Delegation and Guidance to the Endowment Committee**

An Endowment Committee, appointed by the board and acting by majority vote, which may include votes by email, is empowered to direct the investment of all Endowment fund assets, subject to the following policies.

### **1.6.2. Investment Objectives**

Endowment funds must be invested to produce a maximum rate of total return consistent with the following: prudent management of investments, socially responsible investment practices, preservation of principal, potential for long-term asset growth.

### **1.6.3. Permissible Investments**

Endowment fund assets may be invested in publicly traded common and preferred stocks, REITs, convertible bonds and preferred stocks, bank common funds, mutual funds, and publicly traded fixed income securities (including corporate bonds and money market instruments). Documented, secured loans to the Congregation are permissible, up to 30% of the total assets of the Endowment when the loan(s) are executed. No other investments are permissible.

### **1.6.4. Shareholder Initiatives**

In keeping with our ethical values, the Congregation is an activist shareholder, lending its support to shareholder initiatives and coalitions of shareholders in support of

- Disclosure of lobbying and political spending.
- Action to address climate change.
- Nondiscrimination based on skin color, age, sex, marital status, sexual orientation, gender
- identity and expression, disability, national origin or ancestry, economic status, union membership, or political affiliation.

### **1.6.5. Ethical Investment Screen**

The Endowment Committee will endeavor to avoid equities including mutual funds and ETFs that are known to invest in companies engaging in practices that a broad spectrum of the congregation would find unacceptable, including egregiously unfair labor practices, human rights violations, environmental degradation or exploitation of indigenous populations.

### **1.6.6. Endowment Spending Guidelines**

No more than 3.5% per year of a five-year rolling average of the market value of Endowment assets may be spent or transferred to operating funds in any rolling five year period. Separate Endowment funds may be pooled for the purpose of calculating this percentage. In the event that this five-year average percentage would fall below 3%, the allocation for that year shall be confirmed by a Board of Trustees vote.

## **2. Ministry and Management**

### **2.1 Communication Between the Board and the Minister**

As a partnership, neither the board nor the minister should cause or allow the other to be uninformed or unsupported in their work.

**2.1.1** In partnership, the minister will be responsible for:

- Submitting monitoring data requested by the board in a timely, accurate, complete, and understandable fashion.
- Informing the board in a timely manner of material external or internal changes, or staffing decisions, and any anticipated adverse media coverage.
- Advising the board if, in the minister's opinion, the board is not in compliance with its own policies, particularly in the case of board behavior that is detrimental to the relationship between the board and the minister.
- Presenting other types of information to the board in a manner that is timely and accurate and facilitates decision making,
- Providing communication channels that support the board's ongoing need to communicate with the Society.
- Informing the board in a timely manner of an actual or anticipated noncompliance with any policy of the board.
- Recommending changes in policies when the need becomes known.

**2.1.2** In partnership, the board will be responsible for:

- Following its own policies.
- Supporting the partnership between the board and the minister.
- Requesting monitoring information in a timely manner.
- Requesting information that is not overly burdensome or detrimental to the efficient functioning of the Society.
- Advising the minister if, in the board's opinion, the minister is not in compliance with Society policies, particularly in the case of behavior that is detrimental to the relationship between the Society and the minister.

## **2.2. Role of Minister**

The board delegates the daily operation of the church to the minister, who is thus accountable for the Society's overall performance. The minister guides the work of paid staff and volunteers and helps the ministry teams adhere to board governance policies.

2.2.1 The board guides the minister and ministry through the Open Questions, Vision of Ministry, and Ministry Evaluation that determine and assess the Society's annual and long-term goals, and through policies that describe the church situations and actions to be avoided, allowing the minister to use any reasonable interpretation of the policies. The Board may change the Open Questions, Vision of Ministry, or the Board Policy Book as needed during the church year, thereby potentially shifting the boundary between the board and the minister's responsibilities and accountability.

2.2.2 As long as the minister uses a reasonable interpretation of the board's Vision of Ministry and Board policies, the minister is authorized to establish further procedures and practices, make decisions, and take action.

## **2.3. Senior Staff Team**

The minister manages the work of the congregation in collaboration with a Senior Staff Team. The Senior Staff Team includes the Congregational Administrator, the Director of Religious Education, and the Music Director, all of whom report directly to the minister. The board expects the Senior Staff Team, individually and jointly:

- To lead and unify the paid and volunteer staff in directing their efforts toward the fulfillment of the congregation's mission and goals.
- To ensure compliance with the bylaws, board policies, and applicable laws and regulations.
- To uphold a high standard of ethical and professional conduct.

- To accomplish the goals contained in the Annual Vision of Ministry by developing annual goals for its work as a team.
- To manage the allocation of funds assigned to each senior staff member's respective area.

## **2.4 Congregational Administrator**

The board hereby entrusts the Congregational Administrator with management of the financial and operational aspects of the Society and with special responsibility for staff compliance with its policies on Care for Paid Staff (3.2), Care for Members and Guests (3.3), and Care for Material Resources (3.4). The board expects the Congregational Administrator to exercise independent professional judgment in reporting to the board and minister regarding matters in their purview.

## **2.5 Staff Accountability**

All staff members are accountable to the minister, who is accountable to the board for their performance.

# **3. Guidance and Limitations**

## **3.1 Global Limitation**

The minister and staff must not cause or allow any organizational practice, activity, decision, or circumstance that is in violation of

- Unitarian Universalist principles
- The Society's mission or vision
- The Society's bylaws or governance policies of the board
- Commonly accepted legal, business, and professional ethics.

## **3.2 Treatment of Staff**

With respect to the treatment of paid or volunteer staff, the minister must not cause or allow conditions that are unfair, unsafe, disrespectful, unprofessional, or discriminatory. In addition, the minister will:

### **3.2.1 Operate with written personnel policies that include at least**

- Confidentiality requirements
- Provision for effective handling of grievances
- Protection against unethical conditions, real or perceived, such as preferential treatment for personal reasons
- Guidelines for Internet, email, and computer use

### **3.2.2 Inform the staff of their obligations and rights, including internal grievance procedures**

### **3.2.3 Operate in accordance with a written policy on discrimination and harassment**

### **3.2.4 Not unlawfully discriminate against existing staff or job applicants**

### **3.2.5 Not allow staff to work under unsafe or unhealthy conditions**

### **3.2.6 Regularly evaluate and document paid staff's performance**

### **3.2.7 Not require or prohibit paid staff membership in the Society.**

## **3.3 Personnel Decisions**

The board empowers the minister to coordinate the selection, hiring, supervision of all paid staff. Prior to hiring a paid staff member, the minister must ensure that the decision complies with applicable laws, board policies, contracts, the operating budget, and the personnel manual.

### **3.3.1 Hiring Senior Staff**

Before filling Senior Staff positions, the minister must recommend a Search Committee for appointment by the board. After receiving the Search Committee's recommendation(s), the minister selects and presents a final candidate to the board for approval.

### **3.3.2 Hiring Non-senior Staff**

Before filling Non-senior Staff positions, the minister must consult with lay leaders and others, including the direct supervisor for the position, before making a selection.

### **3.3.3 The Congregational Administrator**

Because of its special reliance on the Congregational Administrator, the board will play an active role in the selection of candidates for this position by appointing the majority of members for the Search Committee. If the board formally expresses a loss of confidence in the Congregational Administrator, the minister must initiate discipline or termination.

### **3.3.4 New Positions**

New positions are normally created through the budget process. The minister may create and fill temporary positions provided that they can be funded within established budgetary limits.

### **3.3.5 Employment at Will**

All paid staff are employees at will, unless the board approves the terms of a contract that states otherwise.

### **3.3.6 Discipline and Termination**

Prior to discharging a paid staff member, the minister must ensure that the decision complies with applicable laws, board policies, contracts, and the personnel manual. The minister must consult with the Executive Committee of the board prior to terminating any member of Senior Staff.

## **3.4 Care for Paid Staff**

The Society intends to be a fair, ethical, and attractive employer; to achieve high staff morale and productivity; and to protect members of the staff from all forms of injustice and abuse related to their employment. The minister is responsible for implementing these expectations.

### **3.4.1 Supervision and Evaluation**

Each employee will be assigned an immediate supervisor. Annually, each staff member and their supervisor, will generate an up-to-date job description and complete a process of goal-setting for the coming year or employment term. These goals will form the basis for an annual performance review, conducted by the employee's supervisor.

The documents for job description, goal setting and performance review will be signed and dated by both the employee and the supervisor and will be retained in the employee's personnel file. Individual staff goals and performance reviews are confidential, to be shared only as necessary to support Society decision-making or as required by law.

For the minister, the Annual Board Work Products from Section 1.1.1: Vision of Ministry, Ministry Evaluation, and Open Questions will take the place of goal setting and performance review. These documents will be signed and dated by the minister and the Board Chair and be retained in the minister's personnel file.

### **3.4.2 Compensation and Benefits**

As part of the annual budget process, the Personnel Committee will review compensation and benefits for all paid staff and recommend adjustments for the coming year. In its report to the board, the Personnel Committee must show evidence that it has:

- Surveyed compensation and benefits practices from comparable employers, including similar-sized congregations in our city and denomination, local nonprofit organizations, and the public school system.
- Sought and considered recommendations from the minister regarding adjustments to staff compensation. These recommendations must be presented to the board along with the committee report.
- Taken into account the "Care for Paid Staff" goals of this section in relation to the Society's financial capacity and strategic goals.

In addition, every three years the Personnel Committee's annual report to the board will provide an audit from an outside human resources consultant or from the UUA regional or central staff certifying that:

- Each employee's written job description, goal setting, and performance review documents satisfy human resource professional standards.
- The Personnel Manual satisfies legal and human resource professional standards.

### **3.4.3 Personnel Manual**

The staff will maintain an up-to-date Personnel Manual that complies with all applicable legal requirements. The Personnel Manual must provide adequate policies to give practical effect to the following principles:

**3.4.3.1 Nondiscrimination.** The Society does not discriminate because of race, color, age, sex, marital status, sexual orientation, gender identity and expression, disability, national origin or ancestry, economic status, union membership, or political affiliation. Religious opinion and affiliation may be considered only to the extent that it may be a bona fide occupational requirement or may prevent an employee from being fully supportive of the Society's mission and values.

**3.4.3.2 Harassment.** The Society is committed to maintaining a work environment that is free of harassment. Harassment of any kind, including sexual harassment, is absolutely prohibited, and allegations of harassment must be reported and acted upon promptly.

**3.4.3.3 Grievances.** The Society intends to protect the right of staff to raise concerns about working conditions without fear of retaliation. A staff member who alleges that the law or board policies have been violated to their detriment may present their grievance to any officer of the board, who must immediately acknowledge the complaint in writing and report it to the board, which will undertake an investigation and response. Alternatively, the employee may privately contact their UUA regional representative or Good Officer to present their grievance. The regional representative will document the grievance and determine next steps.

**3.4.3.4 Whistleblower Protection.** The Society prohibits retaliation against employees or other persons who in good faith report:

- A suspected violation of law, such as harassment, fraud, or misappropriation of Society assets.
- A suspected danger to public health or safety.
- Suspected violations of these policies.

An employee who retaliates against anyone who has made such a report is subject to discipline up to and including termination of employment.

## **3.5 Care for Members, Friends, and Guests**

The minister will assure that staff and volunteer leadership provide for a safe and welcoming atmosphere for all who attend Society programs or use the facilities; and will take all reasonable care to prevent harm to members, guests, program participants, and other people affected or participating in Society activities.

### **3.5.1 Health and Safety**

The staff will ensure that the facility is maintained with regard to safety, sanitary and code issues.

**3.5.1.1** Smoking is prohibited anywhere on the premises or during organized off-site programming.

**3.5.1.2** Alcohol consumption is restricted to organized Society social events. Consumption of alcohol by outside groups using the facilities will be regulated according to the Building Use Policy.

### **3.5.2 Emergency Planning**

The staff will prepare a written plan for responding to reasonably foreseeable emergencies that include: evacuation in case of a fire alarm, or 911 call emergencies for health or threatening behavior. Volunteer staff such as ushers, religious educators and other primary helpers will be made aware of plan procedures to follow in case of an event.

### **3.5.3 Child Protection**

Because of the Society's special responsibility for children and youth in its care, the staff must write and maintain clear procedures for the selection, training, and supervision of anyone who works with persons age eighteen and younger.

### **3.5.4 Disruptive Behavior**

In order to sustain an atmosphere that is truly open to a wide variety of individuals, the Society must firmly and promptly address behavior that threatens the physical or emotional safety of any adult or child or chills the free exchange of opinion or beliefs. When such behavior occurs, it must be addressed in accordance with the Safe Persons Policy.

### **3.5.5 Harassment**

Employees, volunteers, and agents of the Society are specifically prohibited from acts of harassment, including sexual harassment, against any member or participant in Society activities or any employee or applicant for employment.

### **3.5.6 Firearms**

The Society prohibits anyone other than on-duty law enforcement officials or off-duty law enforcement officials hired by the Society from carrying a firearm on Society property.

### **3.5.7 Building Security**

The staff must ensure that access to the premises are limited to persons who have legitimate business to be on-site.

### **3.5.8 Universal Access**

The Society intends to make its facilities and programs available and conveniently accessible to persons with disabilities. The staff must ensure that the Society facilities, programs, and policies meet or exceed all applicable legal requirements, and that the Society engage in continual learning and improvement in this area.

### **3.5.9 Procedures for Responding to Controversial Communications and Related Issues**

#### **Responding to accusatory or controversial media or conversations**

Accusatory or controversial remarks between congregants can be referred to the Healthy Congregations Team, in consultation with the minister. In the event of a conflict which involves multiple people (such as factions) and deep division, the Board, in consultation with the Healthy Congregations Team and the minister, may decide to ask a local conflict resolution organization such as the Community Dispute Resolution Center for assistance.

Accusatory or controversial remarks made by someone outside of the First Unitarian Society can be referred to the Board and the minister, who will determine how to respond.

In general, the initial response should be one of curiosity and concern rather than defensiveness. We should strive to fulfill the Second Principle by promoting justice, equity, and compassion in human relations, recognizing that compassion is especially called for in the current environment of pervasive pandemic stress. The person (or

people) responding to the situation can begin by setting aside their own emotional reaction to what has been said and seeking to understand the feelings and point of view that prompted the remarks. Drawing out the person who made the remarks can help defuse the situation somewhat, help the person feel they are being heard, and also reveal their underlying assumptions, which can help the responder determine how to help them come back into covenant. Make sure that both parties are clear about what the other is saying. Paraphrasing the other person's statements and confirming that the summary is accurate is essential.

### **Who speaks for the Board of Trustees**

The Board's designated corresponding member may speak for the Board in answering questions or responding to messages from congregants, using judgment to determine when an issue needs to be referred to the Board as a whole. Similarly, Board members designated to be liaisons with the staff may speak for the Board in answering staff members' questions and responding to their messages, using judgment as to when an issue needs to come before the Board as a whole. The Board should inform the congregation as to who these designated Board members are.

In other situations, where a Board decision is required, the Board will decide the issue by majority vote. However, in a situation that calls for a quick decision, the Executive Committee (ExCo) may decide and then report its actions subject to reconsideration and amendment by the full Board (Bylaws, Article IV, section 4). If an immediate decision is required and there is no time to consult ExCo beforehand, the Board President, or the Vice President in the President's absence, may decide the issue and then report their actions subject to reconsideration and amendment by the full Board.

### **Response to visitors on Sunday morning**

If a visitor asks for immediate assistance just before or during the service or coffee hour on Sunday morning, they can be courteously directed to the person staffing the newcomers' table in the parlor. The person at that table will have on hand a list of resources that the visitor can be referred to. Hospitality Team members should be aware of the situation and know to direct the visitor to the newcomers' table.

### **Education process**

We should seek to educate our congregation, and to remind them on an ongoing basis, as to what our covenant says, what it means to be in covenant, and how we can all communicate respectfully and with an open mind and heart. The minister, the DRE, and the Healthy Congregations Team can all contribute to this ongoing education process in various ways, such as periodically giving a sermon on the topic, conducting or sponsoring an annual workshop on the topic, etc. In the absence of a minister, the Board, the Team Leaders Council, and the Healthy Congregations Team may coordinate the proposed educational actions for each church year.

Margaret Nichols for the Communications Policy Committee Rev. 2/28/22

## **3.6 Care for Material Resources**

The staff must take all reasonable care to prevent harm to the Society's financial assets, property, credit, and tax exemptions and develop administrative practices and procedures designed to prevent such harm and must report promptly to the board on any significant shortcomings in their implementation.

### **3.6.1 Operating and Capital Budgets**

By the April Board Meeting of each year, the minister must present an annual operating budget and a two-year capital budget for approval by the board.

**3.6.1.1** The budget will be created by a Budget Team, led by the minister and Treasurer, which will gather input from staff and ministry teams, and coordinate with the Finance Committee and Stewardship Team. The proposed operating budget will incorporate the best available estimates for Stewardship and other revenues, and will include a contingency plan for revenues at 95% of base case estimates.

**3.6.1.2** Proposed budgets must be based on the Annual Vision of Ministry and any strategic plan currently in effect.

**3.6.1.3** The minister must, when presenting a budget to the board, express an opinion whether it is adequate to fulfill the Annual Vision of Ministry.

**3.6.1.4** The Board presents the Budget to the Congregation for Approval at the Annual Meeting.

### **3.6.2 Spending Authority**

The minister and staff control and are responsible for all spending out of Society accounts, subject to the following limitations:

**3.6.2.1** Donor-restricted funds may not be used in violation of donor restrictions or board-restricted funds in violation of board-imposed restrictions.

**3.6.2.2** Cash operating reserves may not fall below 10% of the annual budgeted expenditures without board approval.

**3.6.2.3** Board approval is required to change compensation for any full-time staff position, to change the basis on which benefits are calculated, or to increase hours or wage rate for any part-time staff beyond approved budget levels. Typically the minister and staff will propose such changes only in the course of the normal budgeting process.

**3.6.2.4** The minister and staff must anticipate and prevent spending in excess of the overall budget. If it foresees any material deviation from budgeted spending, the minister must promptly inform the Board and recommend options for adjusting the budget.

**3.6.2.5** The minister may approve overspending by up to 15 percent over the budgeted amount in any major budget category, provided overall spending remains within budget and the adjustment is promptly reported to the Board.

### **3.7 Asset Protection**

The minister and staff must protect from undue risk and adequately maintain the church's tangible, intangible, or intellectual assets. In addition, the minister and staff must not

- Make any purchase
  - a. without prudent protection against conflict of interest
  - b. costing over 1% of the annual budget without having obtained comparative prices and quality.
  - c. costing over 3% of the annual budget without a stringent method of assuring the balance of long-term quality and cost.
- Make a single purchase or commitment of greater than \$5,000 without board approval, or split an order to avoid exceeding \$5,000.

### **3.8 Plate Count Policy**

Each Sunday FUSIT will have 2 volunteers count the plate and deposit the funds. At least one must be a current member of the Board of Trustees (BOT), Finance, or Endowment Committees. The second one can also be a current member of the BOT, Finance or Endowment Committee, or may be on an Approved List. The Approved List should be drawn from members who served on the BOT, Finance Committee, Endowment or Stewardship Committee in the past 10 years, and are willing to participate. The Approved List will be updated by late September every fiscal year and must be approved by the minister and by a unanimous vote of the BOT (who are present for the vote).

### **3.9 Public Witness**

As active members in the broader society, we are regularly faced with actions and opportunities that either align with our understanding of UU principles or run counter to them. This policy establishes the process to make FUSIT aware of the moral issue that society member(s) want recognized and addressed by official resolution of FUSIT membership or its elected leadership.

The process for creating FUSIT Public Witness is (for process flow graphic see Addendum 1):

1. The Proposal Form (see Addendum 2) must be submitted to the Minister, after having been sponsored by a ministry team.
2. The Minister will consider this proposal and do one of the following:
  - a. acknowledge the issue and provide counseling on how to proceed
  - b. assess that a response is needed and best handled by a public statement of the Minister, Board Chair, or both
  - c. assess that a broader democratic process is needed
3. In the case of a broader democratic process,
  - a. The Minister brings the proposal to the attention of the Board
  - b. After due diligence and deliberation by the Board, it can decide that the public witness issue either
    - i. does not merit FUSIT action
    - ii. direct the proposing team to congregational education and discussion to raise awareness.
  - c. After congregation education and discussion, the issue may be brought to the membership for an up or down vote on proposed action.

## **4. Oversight**

### **4.1 Mission Focus**

The board's duty of care requires it to ensure that the Society's human and material resources are used for the benefit of its mission. The board fulfills this duty in two ways: by monitoring regular reports provided by the staff and by scheduled evaluation of the Society's progress toward achieving the goals established in the Annual Vision of Ministry.

### **4.2. Monitoring**

The minister will provide regular written reports from the staff to the board. Reports must focus on the progress of priorities, as set by the board through the Annual Vision of Ministry, and in compliance with board policy. Monitoring reports must be sent to board members two days in advance of each monthly meeting but will not normally be a subject of board discussion except when they require board action or raise issues of compliance with board policy. Reports must include, at minimum:

**4.2.1** Monthly financial statements that show overall financial performance compared to budget and highlight significant financial or operational issues. These reports will be filed and made available to any Society member who wishes to examine them.

**4.2.2** Quarterly financial statements that show the overall financial position of the Society. These must include a complete balance sheet and funds statement, detailed statement of operations, and a statement of cash flows.

**4.2.3** Programmatic Monitoring. On a schedule to be agreed upon annually by the minister and the board, the minister must provide reports to the board regarding:

- Progress on achieving the Annual Vision of Ministry
- Successes, Challenges, and key areas of engagement

- Each report will focus on selected areas of progress so that all in the course of the year the entire Vision of Ministry and all areas of ministry work are covered.

### **4.3 Evaluation**

Everyone responsible for work on behalf of the Society will engage in a continual process of evaluation. The purposes to be accomplished through evaluation are to foster excellence in ministry work by ensuring that all Society leaders:

- Practice open communication and regular feedback.
- Meet performance standards appropriate to their roles.
- Maintain effective working relationships with one another.
- Focus on achieving goals as approved by the board and staff.

#### **4.3.1 Board and Minister Evaluation**

Annually, as part of the creation of the Annual Vision of Ministry, the minister and board will together review their respective contributions to the fulfillment of the prior year's Annual Vision of Ministry.

#### **4.3.2 Staff Evaluations**

The minister must ensure that all employees develop, with their supervisors, timely annual performance goals supportive of the Annual Vision of Ministry and that their performance in achieving those goals is evaluated annually in writing.

#### **4.3.3 Review of Ministry Teams**

The minister must ensure that leaders of teams engaged in ministry develop, with their staff partners, goals supportive of the Annual Vision of Ministry and that the team's progress is reviewed annually in writing.

#### **4.3.4 Minister's Triennial Performance Review**

Every three years, the board and the minister will together appoint an ad hoc Review Committee of three persons held in high esteem by the Society and mutually acceptable to the board and minister. Working with the minister, the Committee will design and facilitate a review of the minister's performance. The goals of the evaluation are to call the Society's attention to the mutual, relational nature of ministry and the respective responsibilities of all who contribute to its success and to help the minister to remain motivated, creative, and flexible. The Committee's report to the board, together with a written response from the minister, will be published to the Society along with the board's plan for addressing any recommendations it may contain.

#### **4.3.5 Annual Audit or Review**

At least every ten years, the board will engage a qualified professional to conduct an audit or review of the Society's financial records and report in writing to the board. Every three years, the board will appoint an ad hoc Volunteer Committee to perform an informal review of some aspect(s) of the Society's financial records and controls.

**ADDENDUM 2**  
*First Unitarian Society of Ithaca*  
**Public Witness Proposal**

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Issue/Area of Focus Being Proposed:

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Name of sponsoring Ministry Team:

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Names of people agreeing to coordinate implementation of this proposal if it is accepted. (3 person minimum):

- |          |          |
|----------|----------|
| 1. _____ | 2. _____ |
| 3. _____ | 4. _____ |

How does this issue fit with the Vision of Ministry?

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What Resolutions or Statements of Conscience have been passed by the Unitarian Universalist Association, Unitarian Universalist Service Committee, or Side with Love campaign on this issue (please attach)?

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What are the concrete actions you propose the congregation take on this issue?

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Please state predicted financial cost to FUSIT and assumptions used to develop this number.

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Other comments:

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*Thank you for your time and commitment to bending the moral arch toward justice.*

Date form adopted \_\_\_\_\_



## **ADDENDUM 3**

### *First Unitarian Society of Ithaca*

#### **GIFT ACCEPTANCE POLICY**

**(3/12/2019)**

I. General Provisions

A. The First Unitarian Society of Ithaca (FUSIT) encourages gifts that support its mission and identified needs, or gifts to the Endowment that help ensure the long-term vision for FUSIT.

B. FUSIT reserves the right to accept or decline all gifts offered to the Society.

C. The purpose of this policy is to make clear under what conditions FUSIT will accept gifts for the benefit of the Society, and to increase the timeliness of responses to potential donors.

D. Gifts subject to this policy do not include pledges to the annual operating budget or their payment. Gifts to the operating budget should be made through pledges or gifts in lieu of pledges and may not be used to add staff or materials outside the operating budget, unless an exception is approved by the Board of Trustees (Board). Similarly, donations to the annual recycling sale are not subject to this policy.

E. General Criteria for Gift Acceptance

For a gift to FUSIT to be acceptable, it must:

1. Be consistent with its Articles of Incorporation, Bylaws, and State and Federal laws and regulations;
2. Be consonant with its mission and values;
3. Not jeopardize FUSIT's status as a tax-exempt organization;
4. Not impair FUSIT's reputation or otherwise result in unacceptable consequences for FUSIT;
5. Not lack charitable intent or disproportionately benefit the donor as compared to FUSIT;
6. Have a value sufficiently in excess of the costs of administering, maintaining, selling or otherwise managing the gift;
7. If a gift is intended for sale by FUSIT, arrangements for its sale should be made by the donor prior to gift acceptance, so a sale can be completed promptly;
8. Not restrict FUSIT's right to resell real estate or tangible personal property if, in the future, it is no longer deemed necessary or desirable to support FUSIT programs.

F. Authority

1. The Board establishes this policy and is responsible for its amendment or the approval of any exceptions to this policy. Exceptions to this policy should be rare.

The Board is ultimately responsible for accepting gifts under this policy. All proposed *real estate* gifts cannot be accepted by the Board until they are evaluated under section III. below. Only the Board can accept such gifts. The Board delegates its gift acceptance responsibility under these policies to the Minister for all gifts valued at \$20,000 or less, other than real estate or those subject to paragraphs 2. and 3. immediately below, acting upon recommendation of the Treasurer in consultation with the Endowment and Finance Committees. If the Minister is unavailable during the time period reasonably required for a response to the donor, the Treasurer shall act on the Minister's behalf.

2. For gifts valued at \$1,000 or less, the Minister may delegate gift acceptance responsibility to the Treasurer in consultation with the Endowment and Finance Committees.

3. Cash or marketable securities gifts to the operating budget in lieu of pledges may be approved by the Stewardship Committee chair and cash or marketable securities gifts to the Endowment may be approved by the Endowment Committee chair.

## G. Stewardship Considerations

### 1. Obligations to Donors:

- a. A donor's notification of a desire to make a gift to the Society will be kept confidential, will be promptly acknowledged, and arrangements made for next steps.
- b. A decision regarding acceptance or declination of a gift will be made as soon as reasonably possible and promptly communicated to the proposed donor.
- c. Upon acceptance and receipt of a gift, appropriate written acknowledgement including information necessary for itemized tax deduction will be promptly provided to the donor. The Society Administrator is responsible for issuing an appropriate receipt to the donor for tax purposes.
- d. Gifts to FUSIT and related correspondence will be considered confidential information. With donor permission, their name(s) may be added to donor recognition lists. All donor requests for confidentiality will be honored, unless disclosure is required by law.
- e. Lists of donors' names or personal information will not be sold or given by FUSIT to other organizations.

### 2. Obligations of Donors:

- a. Donors are responsible for obtaining valuations of non-cash or marketable securities gifts.
- b. Donors are responsible for tax deduction filings and for obtaining appropriate professional tax accounting advice.
- c. Donors are responsible for obtaining professional advice as appropriate regarding financial and estate planning, taxation or related legal matters.
- d. Generally, donors are encouraged to sell or liquidate tangible personal property and gift the proceeds to FUSIT, unless the property is deemed by FUSIT to be necessary and desirable to support current programs. If the intent is for the property to be sold by FUSIT, then prior to making the gift the donor is responsible for preparing for the sale.

- e. For real estate gifts, donors are responsible for providing proof of clear title and, as appropriate, procuring an environmental assessment that the property is free of environmental liabilities.

3. Restrictions on the Actions of Society Officers, Employees and Volunteers:

- a. FUSIT representatives shall not provide tax, legal, financial or estate planning advice to donors or prospective donors.
- b. No person acting on behalf of FUSIT, or their business or family members, shall receive a fee, commission, or other benefit for directing a donation to FUSIT, and FUSIT does not pay fees or commissions for directing a donor or gift to FUSIT.

II. Gifts of Cash or Marketable Securities

A. Unrestricted Gifts

Donors are encouraged to make unrestricted gifts to FUSIT, which afford maximum flexibility in meeting FUSIT's needs. In the case of marketable securities, they will be sold as soon as possible upon receipt and the proceeds applied to the operating budget, the Endowment including its sub-funds such as capital projects, or other purposes as appropriate.

B. Restricted Gifts

Restricted gifts are also welcome, but restrictions must be mutually acceptable to FUSIT and the donor.

III. Gifts of Real Property or Tangible Personal Property

A. Real Estate

1. At a minimum the following considerations should be reviewed when determining whether to accept gifts of real estate:

- a. Is the property useful and desirable for the purposes of the Society;
- b. Is the property marketable;
- c. Are there carrying costs associated with the property (which may include insurance, property taxes, maintenance, etc.);
- d. Does the donor have clear title to the property;
- e. Are there any restrictions, reservations, zoning provisions, easements or other limitations associated with the property; and
- F. Are there any environmental liabilities associated with the property?

2. Prior to acceptance of a gift of real estate, the Society may require an environmental review. When appropriate, the Society may require title insurance obtained by the donor as a condition of acceptance of the real estate gift.

3. Valuation and Costs

If the real estate is intended and accepted for use by the Society, then the valuation of the gift is the responsibility of the donor consistent with applicable tax regulations regarding assessed value and other considerations. If the real estate gift is intended for sale, then the valuation of the gift shall be determined

by applicable tax regulations such as the sale price, comparable property sales, or assessed valuations. All costs associated with the sale of property gifted to the Society shall be paid from the sale proceeds unless otherwise paid by the donor.

B. Gifts of Tangible Personal Property (pianos, other musical instruments, paintings or other artistic works, furniture, computers and office equipment, jewelry sound systems, etc.):

1. At a minimum, the following considerations should be reviewed when determining whether to accept gifts of tangible personal property:

- a. Is the gift currently useful and desirable for purposes of the Society;
- b. Are there any carrying costs associated with the gift property; and
- c. Are there any undue restrictions on the use or sale of the property?
- d. If the gift does not meet a current need of the Society, is appropriate for sale, and is immediately marketable, the donor should sell the property and gift the proceeds to FUSIT
- e. If in unusual circumstances the gift is to be sold after acceptance by FUSIT, then the donor should arrange for a sale prior to acceptance of the gift by FUSIT.

2. Valuation and Costs

If the property is intended and accepted for use by the Society, the valuation of the gift is the responsibility of the donor in keeping with applicable tax regulations. If the gift is sold by the Society, then the valuation shall be determined upon the sale price. All costs of the sale, if any, shall be deducted from the sale proceeds.

IV. Gifts by Will, Living Trusts, Life Insurance, Other Beneficiary Designations, Pooled Life Income Funds, and Charitable Gift Annuities

- A. Donors are strongly encouraged to discuss these instruments and beneficiary designations with FUSIT in advance (see the list of appropriate contacts below).
- B. Such bequests or beneficiary designations will not be recorded as gifts to FUSIT until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable. Discussions encouraged in IV. A. above may be necessary to determine the point at which designations can be recorded as gifts.
- C. For a donated life insurance policy to be recorded as a gift, FUSIT must be named as a non-contingent beneficiary and the irrevocable owner of the policy. If the donor of a life insurance policy contributes future life insurance premium payments, FUSIT will consider the premium payment as a gift in the year it is paid. If the donor does not elect to continue to make premium payments on the life insurance policy, FUSIT may continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.
- D. Planned gifts such as Charitable Gift Annuities are strongly encouraged. Prospective donors should contact the chair of the Endowment Committee to discuss such gifts, as well as discussing them with their financial, tax, or legal advisors.

V. Other Complex or Esoteric Gifts (remainder interests in property; oil, gas, and mineral interests, charitable remainder trusts, etc.)

In general, such gifts are not accepted by FUSIT. However, a donor proposing such a gift may wish to discuss it with the Minister. After soliciting appropriate internal or professional advice, the Minister may recommend to the Board that in a specific case an exception be made to this general provision. Unless approved by the Board, FUSIT shall not serve as trustee or co-trustee of trusts or charitable remainder trusts.

VI. Contacts for prospective donors:

- A. Cash and marketable securities gifts in lieu of or in addition to operating budget pledges may be discussed with the chair of the Stewardship Committee;
- B. Gifts to the Endowment must be discussed with the chair of the Endowment Committee;
- C. Gifts of real estate must initially be discussed with the Minister or the Minister's designee; and
- D. Gifts of tangible personal property must be discussed with the Minister or the Minister's designee.
- E. When in doubt, or if the designated person is not available, the Minister may be consulted by a prospective donor about the appropriate FUSIT contact.