

First Unitarian Universalist Society  
of San Francisco  
**GOVERNANCE POLICIES**

<b>Revision History</b>	
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)

# First Unitarian Universalist Society of San Francisco Governance Policies

## I. ENDS

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.

A. This Society is a sanctuary for individual religious growth and learning.

1. We provide opportunities for members and participants to understand and experience a diversity of religious and spiritual beliefs.
2. We provide opportunities for members and participants to explore and to find their own spiritual path and fulfillment.
  - a. The Society helps members and participants develop internal and external resources for authentic living: resources to get through hard times and also to experience joy fully, to deepen in our lives, to connect with ourselves and with others, to resist the negative aspects of the mainstream culture, and to find true happiness and meaning.
  - b. The Society motivates members and participants to live rightly and to create needed change in the world.
  - c. The Society offers an ethical, spiritual, and religious enrichment for our children that cannot appropriately be taught by public or private non-parochial schools. The Society provides an affirmative religious identity for members and our children.

B. This Society celebrates life and worships in diverse fellowship.

1. We enrich the lives of the Gathered Congregation by offering meaningful, inspirational worship.
  - a. The main Sunday services are thought-provoking and inspirational, drawing from various religions and cultures.
  - b. We offer additional diverse and alternative services throughout the week and explore different venues for our worship service.
  - c. We purposefully include guest speakers and lay participants in our services.
2. We welcome all who share our liberal religious beliefs.
  - a. We actively reach out to people in the San Francisco community and greet those we encounter in our Sanctuary and center.
  - b. We strive to be a safe place and community in which to open one's heart.
3. We seek authentic diversity.

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- a. Our activities strive for integrated participation by children and members of differing ages.
    - b. Children are encouraged to participate fully in the Society.
  4. The arts are central to the Society's celebration and honoring of life. We seek to expand our knowledge of music and other arts from multicultural sources, and incorporate them into our worship services and activities.
  5. The Society emphasizes communication within our religious community. Our publications celebrate life by telling of important events and passages in the lives of the members of our community and by chronicling the activity of the Society's organizations.
- C. This Society bears witness to suffering and joy.
1. We create a caring community.  
Members of the First Unitarian Universalist Society of San Francisco support one another in our spiritual journeys and in the sorrows and joys of daily living. We look beyond ourselves and our own families to others and their lives.  
  
No member seeking support will be sick or face a life crisis without someone knowing. If a member seeks help, their need will be acknowledged and an effort made to direct them to aid. And if joy is spilling over, others will be there to catch it.
  2. All members participate in the activities of the Society and acknowledge that membership means responsibility. Each member is encouraged to commit to a personal ministry or activity in accordance with one's abilities and talents.
  3. Members and participants have the opportunity to know and be known within the fellowship of the Society. We acknowledge and suitably honor life's passages, including births, deaths, coming of age, graduations, wedded unions, and other significant milestones.
  4. The Society provides services and presence to people at risk both within the Society and in our surrounding community.
- D. This Society works for peace and justice in the world.
1. We honor and continue our tradition of community service, effective advocacy for social change, and prophetic witness on behalf of greater justice in our world. We work through education, advocacy, witnessing, and service.
  2. The Society is an influential part of our local civic community; we are a responsible and generous beacon within the Unitarian Universalist denomination; and we increase positive awareness of Unitarian Universalism in the greater San Francisco community.

## II. EXECUTIVE LIMITATIONS

The Executive Team (as defined in Policy IV.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. In case of conflict among the above limitations, the Executive Team shall abide by them in the order listed.

**A. EXECUTIVE TEAMWORK:** The Executive Team shall not fail to speak as one voice to all parties to whom the Executive Team is responsible or over whom it has authority.

*Accordingly, Executive Team members shall not:*

1. Fail to include and consult with each other on all material issues.
2. Fail to support the recommendation of the senior co-ministers regarding matters of mutual accountability when the Executive Team does not reach consensus.
3. Fail to honor and support each other's views and positions.

**B. TREATMENT OF CONGREGANTS:** With respect to interactions with congregants, the Executive Team shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, that fail to provide appropriate confidentiality or privacy, or that fail to apply the standards of the Society's Mission and *Ends* and Unitarian Universalist principles.

**C. TREATMENT OF STAFF:** With respect to the treatment of paid and volunteer staff, the Executive Team may not cause or allow conditions that are unfair or undignified or that fail to apply the standards of the Society's Mission and *Ends* and Unitarian Universalist principles.

*Accordingly, Executive Team members 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, values, and ends to their interactions with staff.

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5. Operate without written personnel policies that clarify personnel rules for paid staff, and provide for effective handling of grievances.

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

*Accordingly, the Executive Team shall not:*

1. Increase individual Executive Team 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 full-time 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. In any event compensation and benefits are always subject to adjustment based on budget shortfall.
  - 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. Treat Executive Team members more preferentially than other comparable key employees.

**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 *Ends* 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.

*Accordingly,*

1. To facilitate the Board's preparation of a budget for consideration by the Congregation, the Executive Team shall not fail to provide to the Board a balanced budget proposal by a date specified by the Board.

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2. In developing a draft balanced budget proposal, the Executive Team shall not plan to use funds from the investments (savings accounts) in ways that are contrary to restrictions placed on these funds by the donors, the Board, or the membership of the Society.
3. To insure that allocation of Society resources reflects the priorities of the Society, the Executive Team shall not fail to follow the Annual Plan (set by the Board pursuant to Policy III.C) in developing a draft balanced budget proposal.
4. To support the Board's work in setting a Annual Plan, the Executive Team shall not fail to provide the Board, by the last day of January of each year, a review of the major programs of the Society (e.g., Religious Education, Art & Music, Social Justice, Ministry). This "Program Review" shall include at least the following: a self-evaluation of the Executive Team's performance in meeting the goals of the past year's Plan, and the Executive Team's thoughts on goals or objectives for the coming year.

**F. FINANCIAL ACTIVITIES:** With respect to the Society's actual, ongoing financial activities, the Executive Team shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in *Ends* policies.

*Accordingly, the Executive Team 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 Executive Team 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.).

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8. Receive, process or disburse funds under controls insufficient to meet generally accepted standards. These standards shall include, at a minimum, the following:
  - a. Requiring two signatures on all checks over \$2,000.
  - b. Authorizing limited access to operating and investment accounts.
  - c. Furnishing regular reports regarding the Society's investments (but in no event less than quarterly).
  - d. Requiring reconciliation of the operating accounts monthly.

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

*Accordingly, the Executive Team 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 grant approval process.
3. Fail to collect, review and retain a written grant application.
4. Fail to collect, review and retain quarterly follow-up reports on grant activities.
5. 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 Executive Team or their express designees shall apply for any grant on behalf of the Society from outside funding agencies. The Executive Team and their express designees shall not apply for any grant that fails to serve the *Ends* and avoid unacceptable *Means*.

*Accordingly, the Executive Team or their express designees shall not:*

1. Fail to oversee the grant application process.
2. Fail to collect, review and retain information about the grant application.
3. Fail to collect, review and retain quarterly follow-up reports on grant activities.
4. Fail to consider the budgetary, staff, and facility impacts of the grant application.

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

*Accordingly, the Executive Team 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 Executive Team shall not accept any gift with restrictions that are contrary to the standards of the Society’s Mission, *Ends* and the Unitarian Universalist principles.

- K. ASSET MANAGEMENT:** The Executive Team shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

*Accordingly, the Executive Team 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.

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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 Executive Team shall not fail to implement and adhere to this policy defining investment income and usage of funds:
  - (i) It shall be the policy of the Society that the various Society funds be invested with a view to obtaining the maximum total return, from a combination of traditional income and appreciation of principal, including realized and unrealized capital gains, consistent with prudent concern for the preservation of principal. This policy may result in the investment of the Society's funds in a manner that will yield only modest traditional income.
  - (ii) For those funds for which expenditures are limited to income, it shall be the policy of the Society to appropriate as income such reasonable portion of the net appreciation, realized and unrealized, in the fair value of the assets over the historic dollar value of the funds as may be available and necessary in order that the annual expenditures, including traditional income and appropriated appreciation, shall range from 4% to 6% of the value of the fund, as recommended by the Board and determined by the Congregation each year in adopting the Society's budget for the ensuing fiscal year.

In this policy, the word "funds" refers to the "restricted" and "unrestricted savings" consolidated investment funds of the Society, and the Capital Campaign building fund. It shall not refer to funds invested for the benefit of SCW.

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.

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- L. ASSET UTILIZATION:** The Executive Team shall not fail to devote Society assets to endeavors that support *Ends* policies and are congruent with Unitarian Universalist principles.

*Accordingly, the Executive Team shall not:*

1. Fail to use its best efforts to mobilize the Congregation and staff to fulfill the Society's mission and Unitarian Universalist principles.
2. Fail to welcome the San Francisco community into the Society's sanctuary and center.
3. Fail to use its best efforts to increase and diversify the membership of the Society.

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

*Accordingly, Executive Team members shall not:*

1. Fail to submit monitoring data required by the Board (*see Board-Executive Linkage policy IV.E*) in a timely, accurate, complete, and understandable fashion, directly addressing provisions of Policies.
2. Fail to present all other types of information to the Board in a manner that is timely, accurate, complete, concise, understandable, and facilitates decision-making.
3. Fail to 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. Fail to advise the Board if the Executive Team 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 Executive Team.
5. Fail to recommend changes in Policies, the need for which become known to them.
6. Fail to deal with the Board as a whole except when fulfilling individual requests for information, or responding to members duly charged by the Board.
7. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
8. Fail to supply for the consent agenda all items delegated to the Executive Team yet required by law, Bylaws, or contract to be Board-approved, along with any monitoring assurance pertaining thereto.

### III. GOVERNANCE PROCESS

The purpose of the Board of Trustees, on behalf of the Membership of the Society, is to see to it that the First Unitarian Universalist Society of San Francisco (1) achieves the goals of its Mission Statement with appropriate use of its resources, and (2) avoids unacceptable actions and situations as defined in the Bylaws and these Policies.

**A. 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 Executive Team roles, (5) collective rather than individual decisions, (6) focus on the future while learning from the past and present, and (7) proactivity rather than reactivity.

*In this spirit, the Board will:*

1. Focus chiefly on *Ends*, not on the administrative or programmatic *Means* of attaining those effects.
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 and speak with one voice.
  - a. Be accountable to the Congregation and other stakeholders for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the Board to usurp this role or hinder effective governance process. Board members' interaction with the Executive Team or with staff must recognize the lack of authority in any individual member or subgroup of Board members.
  - b. Board members' interaction with the public, press, or other entities must recognize the same limitations and the similar inability of any member, except the Moderator, to speak for the Board.

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

*Consequently, the "products" or job contributions of the Board shall be:*

1. The link between the Society and its stakeholders.
2. Written governing policies that, at the broadest level, address each category of organizational decision:
  - a. *Ends*: What benefits for what needs, at what cost.

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- b. *Executive Team Limitations*: Boundaries of prudence and ethics to be observed by Executive Team.
  - c. *Governance Process*: Specification of how the Board conceives, carries out, and monitors its own tasks.
  - d. *Board-Executive Team Relationship*: How power is delegated and its proper use monitored.
3. The assurance of Executive Team performance against policies III.B. 2a, 2b, and 2d.
4. An annual budget to recommend to the Society's membership. The Board shall recommend to the membership a budget dividing anticipated expenditures among a small number of general categories. The Board may, for the information of the membership, describe the anticipated expenditures in greater detail but, in order not to interfere with the discretion of the Executive Team, shall recommend that the budget approved by the membership not include this additional detail.
5. The following specific financial amounts, to be set annually by the Board:
  - a. the "Grant Award Limit" referenced in Policy II.G.1
  - b. the "Contract Limit" referenced in Policy II.I.1
  - c. the limit above which a single purchase or commitment requires a competitive bid, as outlined in Policy II.I.2
  - d. the asset allocation ranges for Society funds. The asset allocation will be designed to balance risk and return.

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

6. The date by which the Executive Team must submit a proposed balanced budget to the Board.

**C. PLANNING PROCESS:** To accomplish its job with a governance style consistent with Policies, the Board will devise an Annual Plan designed to set forth major goals for the up-coming fiscal year ("Plan").

*Accordingly,*

1. The Plan will be devised each year by the last day of February, so administrative planning and budgeting can be based on the Plan.

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2. The Board will consult with the Executive Team and, as necessary, others when devising the Plan.
3. In devising the Plan, the Board will consider means of improving Board performance through Board education, and re-exploration as appropriate of Board *Ends* policies.
4. The Board will review Board *Means* policies in light of operational issues considered at the Board's regular meetings.
5. When the Board holds its regular meetings throughout the year, it will consider the Plan as a regular part of the meetings.

**D. MODERATOR'S ROLE:** The Moderator (1) assures the integrity of the Board's process, (2) typically represents the Board to Members and 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.

*Accordingly,*

1. The job of the Moderator is to ensure that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the Society.
  - a. Meeting discussion content will only be those issues that, according to Policy, clearly belong to the Board to decide, not to the Executive Team.
  - 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.
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-Executive Team 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 *Ends* and *Executive Team Limitations* policy areas, each of which is within the purview of the Executive Team.
  - c. The Moderator's authority does not extend to supervising or otherwise directing the Executive Team.

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**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.

*Accordingly,*

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. BOARD COMMITTEE PRINCIPLES:** The Board may establish committees to help carry out its responsibilities. To preserve the Board functioning as a whole, committees of the Board will be used sparingly.

*Accordingly,*

1. Board committees may not speak for or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the Executive Team.
2. Board committees are to help the Board do its job, not to help the staff do its job. Committees will assist the Board chiefly by preparing policy alternatives and implications for Board deliberation. Board committees are not to be created by the Board to advise staff.

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3. This policy applies only to committees that are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the Executive Team.

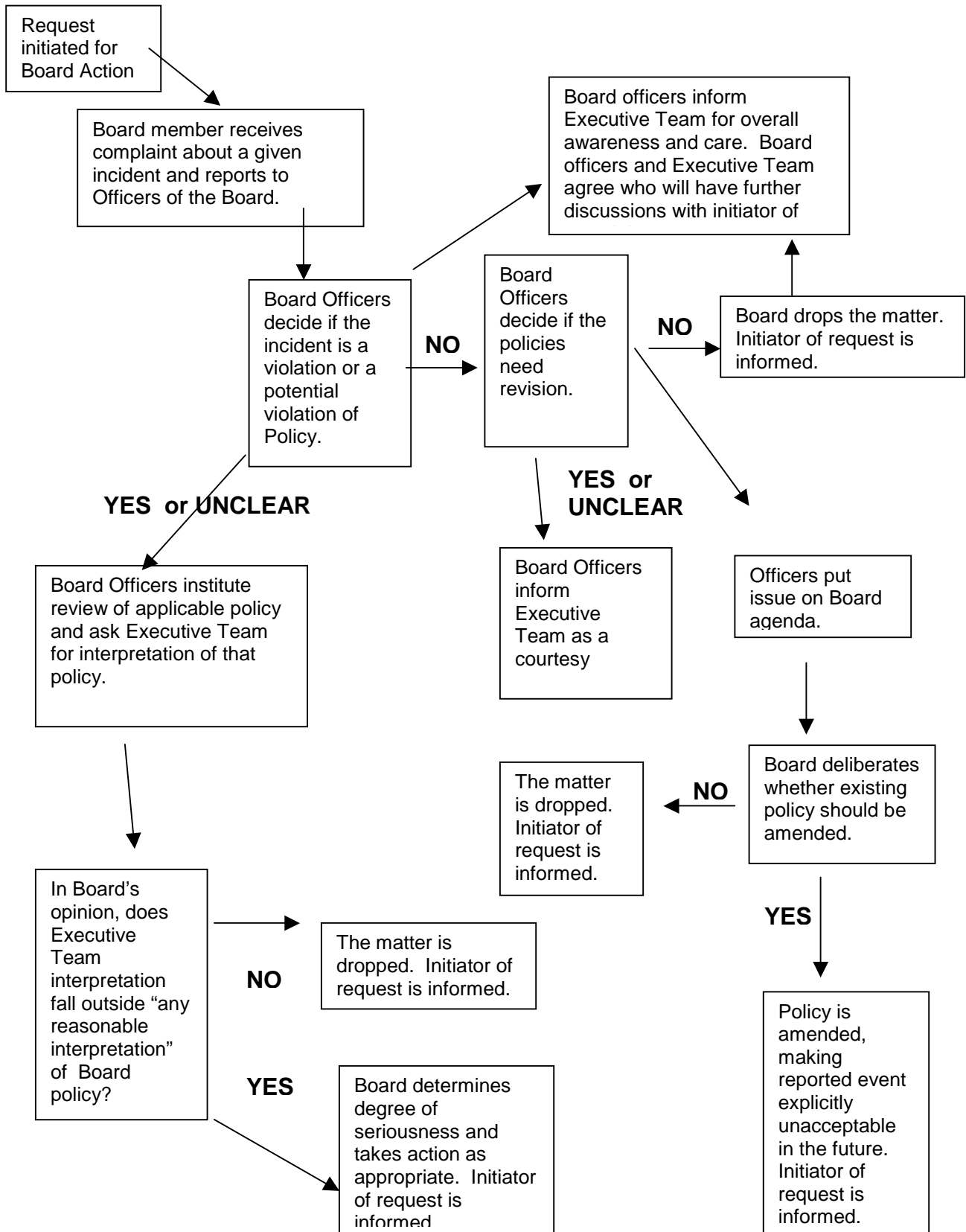
**G. DELEGATES AND ELECTED OFFICES:** Delegates to the Unitarian Universalist Association General Assembly shall serve terms of one year each. Delegates to the Unitarian Universalist Association Pacific Central District shall serve terms of two years each. Delegates are eligible for re-election.

The Society's Bylaws empower the Board to establish other offices as the Board may from time to time determine are to be filled by vote of the Membership. At this time, the Board has established no additional elected offices.

**H. BOARD AND EXECUTIVE TEAM COMPLAINT AND INQUIRY PROCESS**  
Complaints and inquiries shall be handled in accordance with the Society's Mission as stated in the *Ends* policies which encourages direct and open communications. Such matters brought to the Board's attention will be the welcomed basis for on-going revisions to these policies. The chart on the following page describes the Society's process for reviewing and resolving complaints and inquiries.

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## BOARD AND EXECUTIVE TEAM COMPLAINT AND INQUIRY PROCESS



#### IV. BOARD-EXECUTIVE LINKAGE

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

**A. THE EXECUTIVE TEAM:** The Executive Team shall be defined by the Board, and currently consists of the Senior Co-Ministers and the Executive Director. In the event a member of the Executive Team is unable to serve due to an emergency, the Executive Team will continue operating without that member until the Board has designated a temporary replacement.

**B. UNITY OF CONTROL:** Only decisions of the Board acting as a body are binding on the Executive Team.

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

**C. ACCOUNTABILITY OF THE EXECUTIVE TEAM:** The Executive Team is the Board's only link to operational achievement and conduct. Accordingly, all authority and accountability of volunteer and paid staff (including non-employee consultants) is considered by the Board to be the authority and accountability of the Executive Team.

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

**D. DELEGATION TO THE EXECUTIVE TEAM:** The Board's job is generally confined to establishing top-level policies, leaving implementation and subsidiary policy development to the Executive Team. Accordingly, the Board will instruct the Executive Team through written policies that prescribe the organizational *Ends* to be achieved and proscribe *Means* to be avoided, allowing the Executive Team to use any reasonable interpretation of these policies.

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1. The Board will develop policies instructing the Executive Team to achieve certain results, for certain recipients, within a specified budget. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called *Ends Policies*.
2. The Board will develop policies that limit the latitude the Executive Team may exercise in choosing the organizational *Means*. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called *Executive Limitations Policies*.
3. As long as the Executive Team uses any reasonable interpretation of the Board's *Ends* and *Executive Limitations* policies, the Executive Team is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Should the Executive Team deem it necessary to violate Policy, it shall inform in advance the Board Moderator or another Board member if the Moderator is not available. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Response from the Board Moderator or individual Board members, either approving or disapproving, does not exempt the Executive Team from subsequent Board judgment of the action, nor does it impede any Executive Team decision.
  - a. Nothing in this policy, however, requires the Executive Team to report Policy violations that arise in the course of the Society's ministers performing their pastoral duties.
4. The Board may change the *Ends* and *Executive Limitations* policies, thereby shifting the boundary between Board and Executive Team domains. By doing so, the Board changes the latitude of choice given to the Executive Team. But as long as any particular delegation is in place, the Board will respect and support the Executive Team's choices.

**E. MONITORING EXECUTIVE TEAM PERFORMANCE:** Systematic and rigorous monitoring of Executive Team job performance will be solely in light of the expected Executive Team job outputs: organizational accomplishment of Policies on *Ends*, and organizational operation within the boundaries established in Policies on *Executive Limitations*.

1. Monitoring is simply to determine the degree to which Policies are being met. Data that do not do this will not be considered to be monitoring data.
2. The Board will acquire monitoring data by one or more of three methods:
  - a. By internal report, in which the Executive Team discloses compliance information to the Board

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- b. By external report, in which an external, disinterested third party selected by the Board assesses compliance with Policies
  - c. By direct Board inspection, in which a designated Board member or members, or the Board as a whole, assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be *any reasonable Executive Team interpretation* of the Policy being monitored.
4. All policies that instruct the Executive Team will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

Policy	Method	Frequency
Treatment of Congregants	Internal	Annually
Treatment of Staff	Internal	6 months
Program Review	Internal	Annually
Financial Planning and Budgeting	Internal	Quarterly
Financial Condition and Activities	Internal	at least Quarterly
	External	Annually
Grant Activities	Internal	at least Quarterly
	External	Annually
Contract Activities	Internal	at least Quarterly
	External	Annually
Asset Protection	Internal	Quarterly
	External	Annually
Emergency Executive Team Succession	Internal	Annually
Compensation and Benefits	Internal	Annually

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Policy	Method	Frequency
Communication and Support to the Board	Direct Inspection	Annually
Executive Teamwork	Internal	6 months
Ends	Internal	Annually
Annual Plan Progress	Internal	Quarterly

**F. MONITORING BOARD PERFORMANCE:** The Board systematically will monitor its own performance, relative to its Governance Process and Board-Executive Linkage policies, by including a portion of these policies for review semi-annually.

## TABLE OF LIMITS SET ANNUALLY BY THE BOARD

Type	Limit	Date of Board Vote
“Grant Award Limit” referenced in Policy II.G.1	\$10,000	October 10, 2000
“Contract Limit” referenced in Policy II.I.1	\$75,000	October 10, 2000
The limit above which a single purchase or commitment requires a competitive bid, as outlined in Policy II.I.2.	\$25,000	October 10, 2000
The asset allocation ranges for Society funds. The asset allocation will be designed to balance risk and return, as outlined in Policy III. K. 9.	<ul style="list-style-type: none"> <li>• 25%-35% of the total funds in cash, bonds, or the equivalent</li> <li>• 15%-25% of the total funds in a broad market index mutual fund</li> <li>• 15%-25% of the total funds in growth mutual funds</li> <li>• 25%-35% of the total funds in individual stocks.</li> </ul>	October 10, 2000
Date the Executive Team shall not fail to provide to the Board a balanced budget proposal, as outlined in Policy III. E. 1.	April 22, 2001	February 9, 2001