

## **For the Consent Agenda, April 2009**

### **Governance Policy revisions for review and adoption by the Board of Trustees, April, 2009 (revision 2)**

#### **Presented by the Governance Working Group**

**March 23, 2009**

The set of Policies below previously appeared on the Board's Agenda in October, 2008, and January, 2009, but were not considered during those meetings due to time constraints.

Therefore, the thirteen policies were sent to UUA trustees on March 4, 2009 to determine if these policies had enough support to warrant placement on the consent agenda. Using an electronic voting tool, we can now report that as of March 20 all but one policy (3.3.2) had support from at least 80% of the voting trustees (23); a minor change (shown below) in that policy should also move it to above 80%.

**On March 22, the Board received two new proposed policies from Dan Brody on behalf of the Audit Committee.** Dan has separately submitted both of these to be distributed with the full Board Agenda packet. One is a **Whistleblower Policy**, which has not been previously addressed in our policies. The second is a proposed **Conflict of Interest policy**, which in the opinion of the Governance Working Group replaces all or most of two proposed policies in the list that the Board has just reviewed (see below). Given this, the Governance Working Group has **removed the two subject policies from this list**, and they will not be placed on the Consent Agenda. These removals will be denoted by ~~strike through of their text~~. The Board can then take up the consideration of the new policies on their regular business agenda.

The Governance Working Group recommends that **the remaining eleven policies** be placed on the consent agenda. Should a trustee wish to remove any item (and hopefully propose alternative language for later discussion), they may do so when the consent agenda is considered. Alternatively the Board, at any point in the future, may amend these policies.

**Below is a summary of the concerns raised by Trustees. The complete text of the policies follows the summary of concerns.**

1. 3.3.3 Speaking with one voice: 21/23 voted in favor, 2 would support with minor changes regarding the need to insure this is dealt with in the language of our board covenant, which is under development.
2. 2.2 Treatment of congregations: 22/23 in favor, 1 against with no reason given.

3. 3.1.3 Excellence in Board governance: 19/23 in favor, 1 against, 3 support with minor changes. The person against wants to add explicit language to allow the president to bring issues to the Board, those who want minor changes are unsure of what "Discipline will apply to matters such as attendance, preparation for meetings" etc. means. We anticipate this discussion as part of our Board self-assessment already planned for Friday April 17<sup>th</sup>.
4. 3.7: Board committees: 19/23 in favor, 2 against, 2 support with minor changes. Those not in favor express concerns about the lack of clarity around board committees, which is an ongoing Board discussion.
5. 2.0 Global Leadership Covenant and Expectations: 20/23 in favor, 3 support with minor changes, primarily around whether the President "ministers to the congregations".
6. 3.1.2F Speaking on matters of witness: 22/22 in favor
7. 3.3.2 Conflicts of interest: ~~15/23 in favor, 1 against, 7 support with minor changes, almost all of which suggest getting rid of the Wikipedia reference (which was an error on the part of a certain GWG member who shall remain unnamed). We have revised this to read:~~

~~Old language A conflict of interest occurs when a board member has an interest that might compromise their objectivity. A conflict of interest exists even if no improper actions results from it, and can create an appearance of impropriety that can undermine confidence in the conflicted individual (Wikipedia March 2009~~

~~New language A conflict of interest refers to a situation where a board member has an interest that could compromise their objectivity. Even if nothing improper results from it, a conflict of interest still exists in that it can undermine confidence in the board member with the conflict.~~

~~There is also a desire to insure this is consistent with the Conflicts of Interest policy which will be brought to the Board by the Audit Committee.~~

**This bulk of this proposal may be superseded by the Conflict of Interest policy delivered by the Audit Committee elsewhere in the Board Agenda package. See #7 in the full text below for details.**

8. 3.3.2D Gift policy: ~~19/23 in favor, 2 against, 2 support with minor changes. Concerns are primarily around this being too vague.~~  
**This proposed policy may be superseded by the Conflict of Interest policy delivered by the Audit Committee elsewhere in the Board Agenda package.**

9. 3.6 Election of officers: 21/23 in favor, 2 against, either because of confusion around who the Board is appointing or the desire to use the language from the by-laws.
10. 3.2 Board job description: 22/23 in favor, 1 willing to support if we take out a comma. Comma taken out:  
  
Old language: Act as faithful stewards of the resources of the UUA, and our environment as called for in our UUA Principles.  
  
New language: Act as faithful stewards of the resources of the UUA and our environment as called for in our UUA Principles.
11. 2.7 Financial planning and budgeting: 21/23 in favor, 1 against, 1 willing to support with minor changes: suggests "include" rather than "develop". Revised!  
  
Old language: Fail to develop a long range plan that reflects both the financial and spiritual dimensions of our stewardship  
  
New language: Fail to include a long range plan that reflects both the financial and spiritual dimensions of our stewardship
12. 3.2.4 Audit: 23/23 in favor
13. 2.8 Gift policy: 22/23 in favor, 1 willing to support with minor change that would normally be handled in the President's interpretation.

## **Full Text of Governance Policy Revisions, April 2009**

As recommended by the Governance Working Group, based upon electronic voting by the full board during March 2009.

### **1. 3.3 POLICY TITLE: BOARD AND BOARD MEMBER CODE OF CONDUCT**

#### **3.3.3. Trustees covenant with each other to follow a practice of "Speaking with one voice".**

This requires that each Trustee has had reasonable opportunity to participate in the debate of the issues and opportunities before the committee or Board. The Trustee may have disagreed with the Board's decision, and consistent with the right of conscience may say so publicly. However, once the Board makes a policy decision, and even if an individual Trustee does not fully support the Board's position, each Trustee agrees to do their best to act in alignment with that policy in the spirit of moving our organization ahead in accordance with our democratic

principles. If a Trustee finds that they cannot in good conscience adhere to this policy and covenant, then that Trustee bears the responsibility to consult with the Moderator or First Vice-Moderator and determine an acceptable course of action.

## **2. 2.2 POLICY TITLE: TREATMENT OF CONGREGATIONS**

With respect to member congregations or those congregations seeking membership, the President shall not cause or allow conditions, procedures, decisions or services that are untimely, disrespectful, inequitable, discriminatory or not transparent.

**2.2.5** Fail to provide information necessary to help our congregations remunerate all staff with fair, equitable, and geographically consistent compensation packages.

## **3. 3.1 POLICY TITLE: GOVERNING STYLE**

The Board will govern with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, (g) pro-activity rather than reactivity, and (h) an open rather than a closed process.

On any issue, the Board must insure that all divergent views are considered in making decisions, yet must resolve into a single organizational position.

Accordingly:

3.1.3. The Board will govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, and respect of roles. Although the Board can change its governance process policies at any time, it will observe them scrupulously while in force. The Board will address an issue only if the Board determines that the following criteria have been met:

- A. A substantial portion of the Board believes that the issue deserves Board time;
- B. The issue is the responsibility of the Board;
- C. If the Board has dealt with the issue before, there is new information that compels reconsideration;
- D. The focus of the issue is at a systemic level, and is not just a fix for a specific problem. If the issue is below the Board's broad

policy threshold, the Board will seek to broaden the issue to include a class of related issues in a proactive style.

**4. 3.7 POLICY TITLE: BOARD COMMITTEE PRINCIPLES**

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to President.

Accordingly:

**3.7.2** Board members may serve on committees outside the Board, but only in their capacity as private individuals, and do not carry any Board authority in these roles.

**3.7.2.1** Board members may serve on staff operational committees at the invitation of the President.

**3.7.2.2** Board members may serve on General Assembly operational committees, at the invitation of those committees established by the General Assembly.

**5. SECTION 2: LEADERSHIP COVENANT AND EXPECTATIONS**

**2.0 POLICY TITLE: GLOBAL LEADERSHIP COVENANT AND EXPECTATIONS**

The President of the Unitarian Universalist Association of Congregations shall minister to and lead the Association, in all its full and rich diversity, in order to implement the shared vision of the covenanted community as adopted by the Board of Trustees in collaboration with the President, hereinafter known as the *Shared Vision (Ends)*.

**6. 3.1 POLICY TITLE: GOVERNING STYLE**

**3.1.7.F.** Speak as the Board of Trustees of the UUA on matters of witness in our own work as an Association.

**7. 3.3 POLICY TITLE: BOARD AND BOARD MEMBER CODE OF CONDUCT**

The Board commits itself and its members to acting in adherence to the UUA bylaws, as well as ethical, businesslike, and lawful conduct, including respect for others, proper use of authority and appropriate decorum when acting as Board members.

1. Members must act in accordance with our covenant with member congregations. As Board members, our primary purpose is to serve our member congregations regardless of personal relationships with staff, affiliations with other organizations, or any personal interest.

***The ~~strike-through~~ text below is intended to be replaced by the Conflict of Interest policy proposed by the Audit Committee elsewhere in your Board Agenda package.***

***Should the preamble and paragraph 1 above be retained, or also replaced by the Conflict of Interest policy?***

- ~~2. Members must avoid conflict of interest with respect to their fiduciary responsibility. A conflict of interest refers to a situation where a board member has an interest that could compromise their objectivity. Even if nothing improper results from it, a conflict of interest still exists in that it can undermine confidence in the board member with the conflict.~~
  - ~~A. There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations, with vendors, or any associations that might be, or might reasonably be seen as being, a conflict.~~
  - ~~B. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation.~~

~~If the member holds valuable insight into the relevant situation, the individual chairing may permit comment as long as the Board takes care to pursue its due diligence.~~
  - ~~C. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. A Board member may not apply for or accept employment with the Association within one year after the end of the member's service on the Board."~~

8. **3.3 POLICY TITLE: BOARD AND BOARD MEMBER CODE OF CONDUCT**

~~3.3.2.D. Board members will not accept gifts, or pledges of behavior, of any kind, from any source, that could in any manner be interpreted as attempting to inappropriately influence Trustee behavior or voting.~~

*The strike-through text above is intended to be replaced by the Conflict of Interest policy proposed by the Audit Committee elsewhere in your Board Agenda package.*

9. **3.6 POLICY TITLE: ELECTION OF OFFICERS AND OFFICER ROLES**

The General Assembly elects the Moderator and Financial Advisor.  
The Board elects the First and Second Vice Moderators, the Secretary and Assistant Secretary for terms as determined by the Board.  
The Board appoints the Recording Secretary and Treasurer of UUA.

10. **3.2 POLICY TITLE: BOARD JOB DESCRIPTION**

As informed and elected leaders of our Association of member congregations, the UUA Board of Trustees assures organizational performance by creating, communicating, and monitoring organizational systems and performance, in accord with established Board policy.

**3.2.5** Act as faithful stewards of the resources of the UUA.

11. **2.7 POLICY TITLE: FINANCIAL PLANNING and BUDGETING**

Financial planning shall not:

- A. Deviate materially from the Shared Vision (Ends),
- B. Compromise fiscal prudence or integrity, or
- C. Fail to include a long range plan that reflects both the financial and spiritual dimensions of our stewardship.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

- 1. Fail to present at the Board of Trustees' April meeting:
  - a) A balanced operating budget based on reasonable planning assumptions, including projections of revenue and expenses for the fiscal year beginning on July 1, for approval by the Board. The

budget must include revenue and expenses projections for each budget section, including current operations, congregational loans, Beacon Press, General Assembly, and the UU Common Endowment Fund.

b) A capital budget for the fiscal year beginning on July 1, based on reasonable financing and depreciation assumptions.

c) A proposed operating budget for the following fiscal year, which will be received by the Board as information.

**12. Section 3.2 POLICY TITLE: BOARD JOB DESCRIPTION**

As informed and elected leaders of our Association of member congregations, the UUA Board of Trustees assures organizational performance by creating, communicating, and monitoring organizational systems and performance, in accord with established Board policy. Accordingly, the Board has responsibility to:

**3.2.4** Review an annual audit of the Association's financial reports by a certified public accounting firm with experience conducting audits of organizations of comparable size as overseen by the Audit Committee.

**13. 2.8 POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES**

The President shall not cause or allow situations that would jeopardize the Association's fiscal health or alignment with the Shared Vision (Ends).

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

**13.** Fail to establish a gift acceptance and disposal policy.