



UNITARIAN
UNIVERSALIST
ASSOCIATION

UUA Board of Trustees

Fiduciary & Financial Responsibilities
January 20, 2023

uua.org



Agenda

- Overview of Responsibilities as Fiduciaries - David
 - Brief highlights of fiduciary duties
- Board Financial Responsibilities - Chris
 - Financial Roles per By-Laws
 - > Role of Financial Advisor
 - > Role of Financial Secretary
 - > Role of Treasurer
 - Values and Resources Working Group
 - Overview/Calendar
- UUA Overview - Andrew
 - Legal Structures/Sources and Uses
 - Audited Financial Statements



FIDUCIARY RESPONSIBILITIES

- **Duty of Care**
- **Duty of Loyalty**
- **Duty of Obedience**



Fiduciary. . .

- . . . is legal term with regard to organizational assets, including intangible assets
- Responsibilities include administration-especially financial/budget/fundraising
- Monitoring
- Investment
- Use of assets



Duty of Care

- Diligence, care and skill of prudent person
- In best interest of organization
- Thoughtful, questioning, focused on mission
- Concerned for well-being and effectiveness
- Do we have appropriate materials?
- Do we have sufficient time?
- Have we reviewed, reflected and considered sufficiently?



Duty of Loyalty

- Act in best interest of organization
- Never act out of expedience or self-interest
- Organizational loyalty supplants individual preferences and relationships
- Demonstrate consideration of key questions when decisions are difficult
- Maintain confidentiality and speak with one voice



Duty of Obedience

- Actions support furtherance of mission
- Actions support compliance with governing laws and documents
- Funding from congregations and individuals based on these
 - mission critical
- Do we link our decisions to mission?



Implementation Standards

- Recruitment program for qualified prospects to ensure balance of skills, expertise and talent over time
- Careful planning for meaningful orientation sessions in all areas of responsibility
- Regular review of mission, purpose, goals
- Strong conflict of interest policy
- Board members aware of all conflicts, in general and as they arise



Implementation Standards (Cont.)

- Consider withdrawal from discussions/voting
- Use of outside experts
- Maintain clear records of process, data
- Open debate, record dissent, utilize counsel as appropriate
- Continuous review of actions in the context of mission
- Annual review/self assessment of Board activities in support of mission and fiduciary duty



UUA BOARD FINANCIAL RESPONSIBILITIES

8/18/201



Overview

- UUA Board has oversight for
 - Operating and capital budgets
 - Establishing investment principles
 - Oversight and appointment of:
 - > Investment Committee
 - > Employee Benefits Trust (Health Plan) Board
 - > UU Organizations Retirement Plan Committee
 - > Audit Committee



3 Financial Roles

- UUA Bylaws mandates 3 financial roles
 - Financial Advisor (Section 10.3)
 - Financial Secretary (Section 10.2)
 - Treasurer (Section 10.4)



Financial Advisor

- Elected by General Assembly
- Advises the President and the Board of Trustees on financial policy
- Assists the Board in long-range planning
 - By reviewing the sources of funds, the application of funds designated for specific purposes, the balance between foreseeable income and proposed expenditures, and the overall financial welfare of the Association
- Voting member of all financial committees



Financial Secretary

- Elected by the Board
- Facilitates the Board's conversations to fulfil our our financial responsibilities
- Ensure the Board allocates time to financial issues
 - At our longer quarterly meetings, in depth
 - At monthly meetings, report on Values & Resources Working Group activities



Treasurer & CFO

- Responsible for all UUA financial affairs
 - Budget
 - Investments
 - Financial transactions
 - Stewardship/fundraising
 - Audits
 - Compliance with state and federal laws



Values & Resources Working Group

- Ensure that our financial and other resources are aligned with the UUA mission
- Explicitly focused on anti-racism, anti-oppression, multiculturalism
- Ensure all Board members are equipped to handle their fiduciary/financial duties
- Open meetings; regular reporting



UUA Board Financial Calendar

- 1st Quarter—Financial training for Board
- April—Approve Operating and Capital Budget (including future year estimates)
- June—Treasurer, Financial Advisor, Financial Secretary hold budget hearing
- August—Orientation for new Board members
- October—Review prior fiscal year performance



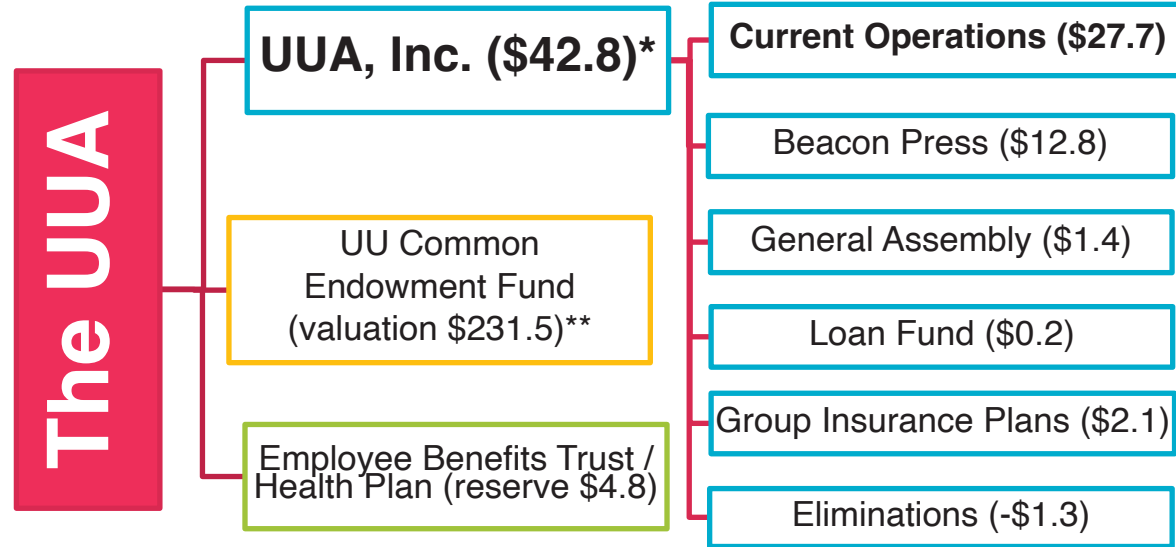
UUA FINANCIALS

8/18/201



Legal/Financial Structure

(Estimated annual expenditures in millions, for FY22 or year ending 6-30-22)



* includes depreciation expense, less intercompany eliminations of \$1.3m

** Value as of 6-30-22. Return of -16.8% in FY22. UUA endowment approx. \$100m; other investors approx. \$131m



Annual Audited Financial Statements

- UUA (including UU Common Endowment Fund)
- UU Common Endowment Fund
- Health Plan



Questions/Discussion