



Co-Financial Advisors' Report to the 2024 UUA General Assembly

It is an honor to serve as Co-Financial Advisors of the UUA.

The Financial Advisor is a **volunteer** position elected by the General Assembly to help assure that the UUA is operating in a fiscally responsible manner. In recognition of the increasing complexity and demands of the role, beginning for fiscal year 2023, the Financial Advisor role was reimagined as a Co-Financial Advisor role.

At its June 13, 2022 meeting, the UUA Board of Trustees appointed, effective at the close of General Assembly 2022:

- **David Stewart** to the vacant position of Financial Advisor, charged to act in that office as Co-Financial Advisor in partnership with Chris Chepel.
- **Chris Chepel** to the newly-created appointed, non-salaried office of Co-Financial Advisor, which carries a term of two years.

David was formally elected to the role of Financial Advisor at the 2023 General Assembly. Chris was re-appointed to the non-salaried office of Co-Financial Advisor at the May 20, 2024 Board meeting for another 2-year term.

As Co-Financial Advisors, we share the duties and responsibilities of the Financial Advisor, and jointly determine how the vote of the Financial Advisor will be exercised, in those cases where a vote is required by the UUA bylaws.

Our role is to provide the President, Board of Trustees and General Assembly with advice and assistance regarding financial policy and the fiscal health of the UUA. The Co-Financial Advisors also recommend changes to improve the quality of fiscal planning and management of the UUA.

We carry out our responsibilities in several ways, including participation in Board meetings and business committee meetings, participation in recruitment of members of the UUA's business committees, and providing advice and guidance to our Board and staff colleagues about specific matters as they arise.

Participation in Board Meetings and Business Committee Meetings

Both of us participate in meetings of the Board of Trustees and the Board's Values and Resources Working Group. We have divided the business committees on which the Financial Advisor sits *ex officio*, as follows

Committee	Committee Role	Co-Financial Advisor
Audit Committee	Assist the Board of Trustees in fulfilling its oversight responsibilities for (1) the financial reporting process and system of internal control, (2) the external auditors' qualifications, independence and performance, (3) the adequacy and effectiveness of the process for monitoring compliance with laws, regulations, and the code of ethics, and (4) the adequacy and effectiveness of risk management practices.	David
Employee Benefits Trust (Health Plan Committee)	Operate a self-funded health insurance plan for the staffs of Unitarian Universalist (UU) congregations, the UUA headquarters and field staffs, plus other eligible persons.	Chris
Investment Committee	Management of the Unitarian Universalist Common Endowment Fund (UUCEF). This fund holds the assets of the UUA's endowment and assets of UUA congregations and has an investment goal of providing for long-term growth.	David
Retirement Plan Committee	Administer the UU Organizations Retirement Plan, including overall responsibility for investment of the Plan's assets.	Chris

Throughout our first two years in office, we have been consistently impressed with the commitment and dedication of both the volunteer members of these committees and the staff who support them.

Recruitment of Business Committee Members

The Co-Financial Advisors play a role in the recruitment and screening of highly qualified candidates to serve on the various business committees of the Association. We continue to prioritize this task, to ensure a robust pipeline of qualified and diverse candidates for these committees as vacancies occur.

If you have financial, accounting, legal, human resources, information technology, or other skills that might be helpful to our UUA committees, we encourage you to consider applying to serve our denomination, and more information may be found [here](#).

On-going Advice and Guidance

We also carry out our advisory role informally, in private discussions with the UUA administration and individual staff and Board members. We are privileged to serve with fellow Board members and staff leaders who are courageous, compassionate, and committed to the work of the Association.

In addition to these routine activities, this year we both actively participated in the ongoing search process for a new UUA Chief Financial Officer, which started in fall 2023 after the resignation of former CFO Andrew McGeorge.

We want to thank Tim Brennan for graciously returning as interim CFO for the 10 months ending May 2024. The CFO Search Committee is currently finalizing the selection of an interim to serve until a permanent CFO is appointed. We will be continuing to assist in the selection of a permanent CFO, which the CFO Search Committee hopes to complete by the beginning of the 2025 calendar year.

Fiscal Health of the UUA

Detailed financial and audit reports are available [here](#).

We are pleased to report that, from our perspective, the significant financial operations of the Association and related entities, as reflected in the UUA's budget, the Common Endowment Fund, Retirement Plan, Health Plan, and Beacon Press remain stable.

However, as reported in the [UUA budget memorandum dated April 19, 2024](#) from President Sofia Betancourt and Executive Vice President Carey McDonald:

“The UUA is now experiencing the full effects of the pandemic years and, like many organizations, it is reshaping the prospects of our budget. Our largest income sources – congregational giving, endowment returns and leasing income – are flat or down, and fundraising increases are modest. Meanwhile, inflation remains higher than prepandemic, pushing up labor, benefit and travel costs.

We continue to focus on sustaining our core mission work, including our outward facing ministry for organizing, justice and liberation, as well as our internal work for anti-racism, anti-oppression and multiculturalism.

We are conceiving of the FY25 budget as a bridge year to a new strategic multi-year planning approach, that reflects our reevaluation of budget realities following the acute pandemic phase. The UUA's financial fate is tied with the fiscal realities for our congregations, and we expect local budget pressures to continue for the next few years. We are committed to creating an approach that will reduce our core budget footprint while investing in what is most essential to address our urgent challenges and opportunities.”

We look forward to working with the Administration and our fellow members of the Board of Trustees in this reevaluation process, so that the UUA can most effectively, with its available resources, continue to fulfill its mission to equip congregations for health and vitality, to support and train lay and professional leaders, and to advance Unitarian Universalist values in the world.

Respectfully submitted,

David Stewart, Co-Financial Advisor
Chris Chepel, Co-Financial Advisor

June 3, 2024