

# UUA Audit Committee – Minutes

24 Farnsworth Street, Room 210  
Boston, MA 02210  
February 25, 2019

Members present: Sean Rush, Chair, Mary Byron (via Zoom), Chris Chepel (via Zoom), and Lucia Santini-Field

Members absent: None

Staff: Tim Brennan (via Zoom), Taquiena Boston (via Zoom), Sarah Lammert, Jason LeBeau, Carey McDonald

Guests: Mike Burns, Merrill Puopolo

## 1. Minutes – Rush

**Motion 1:** to adopt minutes from the November 18, 2018 meeting: moved by Santini seconded by Chepel, all approved.

## 2. Presidential succession follow-up – McDonald

- Plan is to create a clear order of succession should the president be incapacitated or otherwise unable to serve.
- Executive vice president and treasurer would be first in line. Others would be named to ensure there is always a successor, and that it's always clear who is in charge. Order of succession would be automatically activated until the Board can fill the vacancy.
- Recommendation is to have Board adopt rules of succession. Each year the list should be reviewed and updated as necessary.

**Action item 1:** McDonald to provide presidential succession plan again after legal review.

## 3. Implementation of new FASB rules – Burns, Puopolo

- Discussed the changes to 2019 financial statements based on new FASB rules.
  - i. Statements will include a schedule of functional expenses.
  - ii. Statement of Financial Position will now show net assets in two categories - with and without donor restrictions – instead of three.
- Several suggestions were offered such as adding a footnote explaining what the miscellaneous expense line is comprised of, to clarify regional expenses and medical insurance lines, breaking down salary line to salary and benefits and to sort the list by personnel versus non-personnel. Also suggested combining facilities expense, real estate taxes, and maintenance while keeping depreciation separate and to use the categories on the IRS form 990 as a template.
- Review process for allocating overhead expenses across staff groups, eg.: per square foot, per headcount or salary dollars.

- Reviewed footnote changes and new footnote, Liquidity and Availability. Management and committee will need to review and decide on final language.
- Voluntary APF dues/pledges are billed but not accrued.

**Action item 2:** Brennan and LeBeau to review Statement of Functional Expenses and propose allocation method.

**4. ERM: Ministerial misconduct – Lammert**

- Currently working through four complaints.
- Developing guidelines for Human Resource policies for congregations which should be available later this year. Have uptrained the Congregation Life staff which now includes a Safe Congregations team with representatives in each region.
- Developing youth safety guidelines that will be mandatory for any youth program that is overnight and involves UUA endorsement.
- Exploring the possibility of a combined ethics board for the UU Ministers Association and professional groups representing religious educators and musicians.

**5. ERM: State of regionalization – McDonald**

- Integrated district staff into UUA staff and combined them into regional teams with lead for each region.
- Integrating governance has been more challenging. Discussed the status of each remaining district.
- Districts and the Annual Program Fund each had dues. Beginning next year there will be a single ask for national and regional dues.

**6. ERM: Driving diversity, inclusion and equity at the UUA – Boston**

- Reviewed Dismantling White Supremacy and Advancing Racial and Other Forms of Equity: Why is the UUA doing this work? presentation.
- Discussed the aspirational goals and key objectives on how to make progress and reach those goals.
- Created a cross-staff team, JEDI (Justice Equity Diversity Inclusion), to help guide the work.
- Committee will consider adding this topic to the rotation of risk management topics to ensure that processes and standards are in place to evaluate this risk.
- The whistle blower system could be an appropriate place for reporting incidents but needs further investigation.
- Committee would have oversight regarding the functionality of the reporting system and ensuring it's working as it should.

**Action item 3:** McDonald to provide the whistle blower policy and the internal process once a report has been received.

**Next Meeting:  
April 1, 2019**