

Financial Advisor's Report  
June 20, 2017

I have five recommendations for the Board's consideration. To my mind, all are governance related. I shared these with Tim last week and he has incorporated two of them into the policy recommendations which you received yesterday. He did not have an opportunity to share his drafts with me in advance so I will have tweaks to suggest at the meeting. He and I have discussed my conclusion that, as stopgap measures, it is best to make some changes now, but that more should be done soon hereafter.

First, and most important in my mind, is to review the policy governance structure in place at the UUA as well as alternatives and best practices in place at high functioning, diverse, innovative and successful denominations and other non-profits. I would like to see a task force comprised of Board members, volunteers and, perhaps if necessary, a professional governance expert. I would have made this suggestion in the absence of the issues of the past 3 months or so, based on my experience with the training and in service on this Board.

Amend current conflicts policy language to eliminate reference to exceptions to policy which prohibits Board member application for staff position while in service to the Association. Consider a one year delay between service and application for a position. Our recent experience is just one of many ways exceptions to this policy may serve to harm the Association, its reputation, operations and financial health.

Determine a percentage of budget (preferred over fixed dollar amount as it will not require adjustment with inflation, etc.) beyond which the President or others in leadership may not commit financial resources, singly or cumulatively, without the approval of the Board. Strengthen language in this policy, as well as other financial policies, to make clear the severity of consequences (termination/forfeiture of sabbatical) for breach of policy.

Review severance and sabbatical policies in the context of norms. Understand risks, benefits and implementation. Add controls and consequences as appropriate.

Review indemnification language in the context of like organizations and the differential, if any, of indemnification afforded volunteers and paid staff. Obtain assistance from legal counsel.

Thank you for your consideration. I look forward to finally meeting in person.