

**APPROVED POLICIES**  
**OF**  
**THE BOARD OF TRUSTEES**  
**THE FIRST UNITARIAN CHURCH OF DALLAS**

**As Amended**  
**December 12, 2021**

# Approved Board Policies

## Table of Contents

|  |           |
|--|-----------|
| <b>Ends</b> .....  | <b>4</b>  |
| Mission Statement (Global Ends) .....                                    | 4         |
| Ends Statements .....  | 4         |
| <b>Executive Limitations</b> .....                                       | <b>4</b>  |
| Global Executive Constraint .....  | 4         |
| Treatment of Members, Friends, and Visitors .....                        | 4         |
| Treatment of Staff and Volunteer leaders .....                           | 5         |
| Succession of Key Staff .....  | 5         |
| Compensation and Benefits .....  | 5         |
| Communications and Support to the Board .....                            | 5         |
| Financial Planning and Budgeting .....                                   | 6         |
| Financial Conditions and Activities .....                                | 6         |
| Ends Focus of Grants or Contracts .....                                  | 7         |
| Endowment and Memorial Gift Fund .....                                   | 7         |
| Asset Protection .....   | 8         |
| Requests to Approve Naming Honors for Individuals or Groups .....        | 9         |
| <b>Governance Process</b> .....  | <b>9</b>  |
| Global Governance Commitment .....                                       | 9         |
| Governing Style .....  | 9         |
| Board Members' Code of Conduct.....                                      | 10        |
| Role of Board in Policy Governance .....                                 | 10        |
| Agenda Planning.....   | 11        |
| Chairperson's Role .....   | 12        |
| Board Committee Principles .....   | 12        |
| Board of Trustee Committees .....  | 14        |
| Board Executive Committee Responsibilities .....                         | 15        |
| Nominating Committee.....  | 17        |
| UUA General Assembly Committee .....                                     | 17        |
| Policy Governance Committee .....  | 18        |
| Strategic Planning.....  | 19        |
| Board Internal Communications .....                                      | 19        |
| Board External Communications .....                                      | 19        |
| Noticing the Congregation.....   | 20        |
| Cost of Governance .....   | 21        |
| Honoring Individuals or Groups by Naming Spaces, Assets or Programs..... | 21        |
| Called Minister Searches .....   | 21        |
| Ordination of ministers .....  | 22        |
| Ministers' Sabbaticals.....  | 23        |
| <b>Endowment and Memorial Gift Fund Management</b> .....                 | <b>24</b> |
| EMGF Committee.....  | 24        |
| EMGF Committee Code of Conduct .....                                     | 25        |
| Types of Gifts .....   | 25        |
| Gift Acceptance Policies & Guidelines .....                              | 26        |

|                                 |           |
|---------------------------------|-----------|
| <b>Board-CEO Linkage .....</b>  | <b>32</b> |
| Global Board-CEO Linkage .....  | 32        |
| Unity of Control.....           | 32        |
| Accountability of the CEO.....  | 32        |
| Delegation to the CEO .....     | 32        |
| Monitoring CEO Performance..... | 33        |

# Approved Board Policies

## Ends

### *Mission Statement (Global Ends)*

Love inspires us to nurture souls, deepen connection, and advance compassion and justice in the world.

### *Ends Statements*

The people of First Unitarian Church Dallas, join together to:

- 1) **Worship, experience the holy, engage in spiritual and personal growth, and live out Unitarian Universalist values.**
- 2) **Develop meaningful and caring relationships, with ourselves, each other, and the holy throughout our lives.**
- 3) **Widen the circle of inclusivity, commit to racial equity, and ensure that our human diversity in all its many dimensions is reflected in worship, leadership, and the work of our church.**
- 4) **Sustain and steward our church and our larger Unitarian Universalist movement for the future.**
- 5) **Create opportunities for open, informed dialogue that addresses complex issues of our society and our lives.**
- 6) **Proclaim our progressive religious faith to grow wider connection and engagement.**
- 7) **Embrace the pursuit of justice as a spiritual practice connected to our Unitarian Universalist values and faith development and continue to build on the legacy of justice work in our church.**

## Executive Limitations

### *Global Executive Constraint*

The CEO shall not cause or allow any decision, action, condition or organizational circumstance that is illegal, imprudent, in violation of commonly accepted business and professional ethics.

### *Treatment of Members, Friends, and Visitors*

With respect to interactions with members, friends and visitors of the church (hereinafter referred to as “parishioners”) the CEO shall not allow conditions that are unsafe, insecure or undignified. (Unsafe refers to avoidance of accidental harm to parishioners while on the church campus. Insecure refers to security of parishioners from outside threats while on church campus.)

Accordingly, the CEO shall not:

- 1) Allow conditions, procedures, or decisions that are unsafe or insecure for parishioners.
- 2) Fail to provide appropriate confidentiality and privacy for parishioners in all church venues: local, remote and blended.

### ***Treatment of Staff and Volunteer Leaders***

With respect to the treatment of paid staff and volunteer leaders, the CEO may not cause or allow conditions that are unfair, unsafe, unprofessional or undignified.

Accordingly, the CEO shall not:

- 1) Operate without written and communicated personnel policies for staff that clarify personnel rules, provide for effective handling of grievances, and protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
- 2) Discriminate against any staff member.
- 3) Fail to apply the standards of the Church's mission, values, and ends to interactions with staff and volunteer leaders.
- 4) Allow conditions, procedures, or decisions that are unsafe or insecure for staff.
- 5) Operate without written and communicated guidelines that clarify volunteer leadership roles and provide information to help these volunteers successfully lead church groups.

### ***Succession of Key Staff***

In order to protect the church and Board from sudden loss of key staff and the services they provide, the CEO must not fail to provide for an orderly transition of key staff:

Accordingly, the CEO shall not:

- 1) Fail to designate at least one other key staff member to be familiar with Board and CEO issues and processes.
- 2) Fail to inform the board with an up-to-date succession plan for each full-time minister (called or hired) and other key staff roles.

### ***Compensation and Benefits***

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the CEO shall not:

- 1) Change his or her own compensation and benefits.
- 2) Promise or imply permanent or guaranteed employment.
- 3) Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
- 4) Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
  - a. incur unfounded liabilities,
  - b. provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited, or
  - c. allow any employee to lose benefits already accrued from any foregoing plan.

### ***Communications and Support to the Board***

The CEO shall not permit the Board to be uninformed or unsupported in its work.

Accordingly, the CEO shall not:

- 1) Neglect to submit monitoring information required by the Board in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored.
- 2) Let the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
- 3) Fail to advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and the CEO.
- 4) Fail to marshal for the Board as many staff and external points of view, issues, and options as needed for fully informed Board choices.
- 5) Fail to provide an electronic system for official Board, officer or committee communications, and maintenance and storage of records.
- 6) Fail to provide sufficient funds and staff support for the Board to govern well.
- 7) Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board.

### ***Financial Planning and Budgeting***

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a documented multi-year staffing and financial plan.

Accordingly, the CEO shall not allow budgeting that:

- 1) Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- 2) Plans for expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- 3) Operating Reserve
  - a. Fails to maintain a cash reserve (the "Operating Reserve") equal to the operating expenses required to cover three to six months of Church operating expenses.
  - b. The CEO shall not fail to notify the Board of any utilization of the Operating Reserve, at least on a quarterly basis.
  - c. To the extent that the Church's normal operating checking account exceeds more than three months of budgeted expenses (the "Targeted Operating Cash Balance"), the CEO shall not fail to transfer such excess cash flows to the Operating Reserve.
  - d. The CEO shall not fail to repay or formally budget to repay all utilization of funds from the Operating Reserve by the end of the Church Fiscal Year following the transfer, unless the Operating Reserve remains in compliance with the three-to-six-month rule.
- 4) Accumulate funds into a reserve account for ministers' sabbaticals (the "Sabbatical Reserve") in a manner that is consistent with the commitments made in the ministers' call letters and the sabbatical policies described herein.

### ***Financial Conditions and Activities***

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from

Board priorities established in Ends Policies.

Accordingly, the CEO shall not:

- 1) Indebit the church nor enter into a contract that could indebt the church in an amount greater than 5% of the then current year's budget in any single transaction, nor greater than 10% of the then current year's budget in the aggregate without approval of the Board of Trustees.
- 2) Conduct interfund shifting in amounts that deviate materially from the Board's ends priorities.
- 3) Fail to settle payroll and debts in a timely manner.
- 4) Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 5) Acquire, encumber, or dispose of real property without approval of the Board of Trustees.
- 6) Fail to appropriately pursue unpaid pledges after a reasonable amount of time.
- 7) Fail to aggressively pursue unpaid non-pledge receivables after a reasonable amount of time.
- 8) Authorize a line of credit without the approval of the Board of Trustees.
- 9) Fail to have an independent outside audit of the church's financial statements on an annual basis, to be completed no later than 180 days after the end of the fiscal year, and have the audit results reported directly to the Board of Trustees.

### ***Ends Focus of Grants or Contracts***

The CEO may not enter into any grant or contract arrangements on behalf of the church that fail to emphasize primarily the production of Ends and, secondarily, the avoidance of unacceptable means.

Accordingly, the CEO shall not:

- 1) Allow grant funds to be used in imprudent, unlawful, or unethical ways.
- 2) Fail to assess and consider a grant applicant's or contractor's capability to produce targeted and efficient results.

### ***Endowment and Memorial Gift Fund***

- 1) Authority to Spend EMGF Funds.

The CEO shall not fail to plan, budget, and spend available EMGF funds to further the purposes of the Church, in accordance with the directives and restrictions that govern the Fund. The Board does not intend that this limitation create a requirement that all available funds be spent in any given year.

Accordingly, the CEO shall not:

Fail to obtain Board approval for expenditures of unrestricted Endowment Funds for Ends-related projects not covered by the Operating Budget.

- 2) Requirement to Coordinate with EMGF Committee.

The CEO shall not fail to coordinate planning, budgeting, and spending of EMGF funds with the EMGF Committee. Further, the CEO shall not fail to ensure that the reports required by the EMGF Committee to serve its function are accurate, complete and timely.

- 3) Types of Spending. The CEO shall not allow spending of EMGF funds for other than the following:
  - a. Reasonable bookkeeping, publicity, solicitations, and public recognition of donors to the fund,

- b. An amount of the General Endowment Fund, as allowed by the Church By-Laws, to be available as income for the Annual Operating Budget,
  - c. Other expenses thought necessary to properly carry out the functions of the EMGF, projects and purposes consistent with the purposes of the EMGF, as set forth in the Church By-Laws, and
  - d. Loans to the Church as allowed by the Church By-Laws.
  - e. In no case may the CEO spend EMGF funds in violation of the directives and restrictions set forth in the By-Laws or in Board policy, or in any manner not approved by the EMGF Committee.
- 4) Gift Acceptance.
- a. Delegation to CEO. The CEO shall not fail to evaluate, accept (or decline) gifts, and receive gifts into the EMGF on behalf of the EMGF Committee.
  - b. Requirement for Gift Acceptance Policy. The CEO shall not fail to establish, maintain, and communicate an appropriate gift acceptance policy for both unrestricted and restricted gifts.
  - c. Said gift acceptance policy must not fail to include provisions for donor designated purposes and allow for the acceptance of non-endowment gifts (gifts that require the expenditure of the principal of the gift over a specified period of time).
  - d. Disposition of Unrestricted Gifts. The CEO shall not fail to direct all undesignated gifts to the General Endowment Fund.
  - e. Restriction on Gifts. No gift, bequest or devise of any such property shall be received and accepted if it is conditioned or limited in such manner as to require the disposition of the income, or its principal, to any person or organization other than a charitable or religious organization or for other than charitable or religious purposes within the meaning of such terms as defined in this document, or shall, in the opinion of the EMGF Committee, jeopardize the federal income tax exemption of the First Unitarian Church of Dallas pursuant to the Internal Revenue Code of 1954, as now in force or afterwards amended.

### ***Asset Protection***

The CEO shall not fail to establish and implement appropriate plans and procedures for risk management, safety and security. The CEO shall not fail to report to the Board annually regarding the status of risk management, safety and security. The CEO shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the CEO shall not:

- 1) Fail to establish and implement appropriate plans and procedures for risk management, safety and security.
- 2) Fail to report to the Board the results of an external audit of risk management, safety and security.
- 3) Fail to ensure against theft and casualty loss to at least 80% of replacement valued and against liability losses to Board members, staff, and the organization.
- 4) Allow unbonded personnel access to material amounts of funds.
- 5) Subject facilities, premises, and equipment to improper wear and tear or insufficient maintenance.
- 6) Unnecessarily expose the organization, its Board, or staff to claims of liability.



- 7) Make any purchase (1) wherein normally prudent protection has not been given against conflict of interest; (2) of over 1% of annual budgeted expenses without having obtained comparative prices and quality; (3) of over 3% annual budgeted expenses without a stringent method of assuring the balance of long-term quality and cost.
- 8) Fail to protect intellectual property, information, and files from loss of significant damage or the lack of application of appropriate documentation and retention standards.
- 9) Receive, process, or disperse funds under controls that are insufficient to meet the Board appointed auditor's standards.
- 10) Invest or hold operating capital in insecure instruments, including uninsured checking account and bonds of less the AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- 11) Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

### ***Requests to Approve Naming Honors for Individuals or Groups***

With respect to a request to the CEO to honor an individual or group by adding their name to a space, an asset or a program:

- 1) The CEO shall not fail to submit the request to The Board of Directors for consideration.
- 2) The CEO shall not fail to maintain a register of all individuals and groups the Board has chosen to honor, including the date the Board acted to approve the honor, and a description of the basis for the honor.

## **Governance Process**

### ***Global Governance Commitment***

The Board of Trustees (the “Board”) of the First Unitarian Church of Dallas (the “Church”) will act on behalf of the Church’s congregation to promote the accomplishment of the Church’s mission and prevent unacceptable activities and conditions with the Church.

### ***Governing Style***

The Board will govern with an emphasis on (1) understanding the larger context in which the organization functions, (2) organizational outcomes rather than activities, (3) diversity in viewpoints, (4) strategic leadership more than administrative detail, (5) clear distinction of Board and chief executive roles, (6) collective rather than individual decisions, (7) future rather than past or present, and (8) proactivity rather than reactivity.

Accordingly:

- 1) The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values. The Board will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.
- 2) The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives about ends to be

achieved and means to be avoided. The Board's major policy focus will be on the intended long-term effects within and outside the organization, not on the administrative or programmatic means of attaining those effects.

- 3) The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policymaking principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

### ***Board Members' Code of Conduct***

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

- 1) Members must represent unconflicted loyalty to the interests of the congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the Church's services.
- 2) Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - a. There must be no self-dealing or any conduct of private business or personal services between any Board member and the Church administration (CEO and staff) except procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
  - 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 by leaving the meeting.
  - c. Board members must not use their positions to obtain Church employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign from the Board.
  - d. Members will annually disclose their involvements with other organizations, with vendors, or with any other associations that might produce a conflict, by completing a disclosure form at the beginning of each year. Members will also disclose any potential conflicts that arise during the ensuing year.
- 3) Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
  - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
  - b. Members' interactions with public, press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
  - c. Members will give no consequence or voice to individual judgments of CEO or staff performance.
- 4) Members will respect the confidentiality appropriate to issues of a sensitive nature.

### ***Role of Board in Policy Governance***

The job of the Board is to represent the congregants of the First Unitarian Church of Dallas in

determining and demanding appropriate organization performance.

Accordingly:

- 1) The Board is the link between the Church administration (CEO and staff) and the congregation.
- 2) The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.
  - a. Ends: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. Governance Policies: Specification of how the Board conceives, carries out, and monitors its own tasks.
  - d. Board-CEO Linkage: How power is delegated and its proper use monitored; the CEO role, authority, and accountability.
- 3) The Board will assure CEO performance against policies in 2(a) and 2(b).

### ***Agenda Planning***

- 1) Board meetings. As stipulated in the By-Laws, the Board shall conduct regular meetings as it deems necessary. Occasionally, non-regular or emergency meetings may be called to address topics requiring immediate attention due to time constraints or other unforeseen circumstances. These emergency meetings would address issues which, if not resolved before the next scheduled Board meeting, could adversely affect the Church. Whenever possible, the Board will endeavor to meet to make emergency decisions. If the Board is unable to convene a quorum, the Board Executive Committee shall meet and execute emergency decisions, as stipulated in the By-Laws.
- 2) Annual Retreat/Establishing Priorities. The Board shall act as a group in establishing the priorities for each Board year. The priorities for each year shall be finalized at an annual retreat to be held in January of each year. The incoming President shall establish the date for the retreat in December, after the new year's board is announced at the Parish meeting. Prior to the annual retreat, the incoming President shall consult with the out-going President and, if necessary, other Board members regarding outstanding priorities and other business of the Board that should carry over to the next year. The President may also visit with Board members, other elected groups of the Church, the Church's called Ministers, the staff of the Church (through the CEO) and Members of the Congregation as he or she see fit to determine what issues might need to be addressed by the Board in the upcoming year. The President shall direct the planning of the annual retreat, including proposing areas for discussion and consideration by the Board; in planning the retreat, the President shall call upon other members of the Board for assistance.
- 3) Setting the Agenda for Meetings. The agenda for all Board meetings should reflect the priorities established by the Board, along with other business being presented to the Board. As such, the Executive Committee shall meet between Board meetings in order to, in part, identify agenda items. The President then shall, consistent with the Board's agreed upon priorities and agreed upon agenda items, facilitate setting the agenda for each meeting to be held.

- 4) Board Calendar. Create a system that formalizes the board calendar. The Clerk shall establish a board calendar that prompts established board responsibilities throughout the year.

### ***Chairperson's Role***

As per the by-laws, the President of the congregation serves as the Chairperson of the Board. The Chairperson assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly:

- 1) The job result of the Chairperson is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the CEO.
  - b. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- 2) The authority of the Chairperson consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Linkage, except where the Board specifically delegates portions of this authority to others. The Chairperson is authorized to use any reasonable interpretation of the provisions in these policies.
  - a. The Chairperson is empowered to chair Board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing).
  - b. The Chairperson has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chairperson has no authority to supervise or direct the CEO.
  - c. The Chairperson may represent the Board to outside parties in announcing Board stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
  - d. The Chairperson may delegate this authority but remains accountable for its use.

### ***Board Committee Principles***

Board committees 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 CEO.

Accordingly:

- 1) Board committees are to help the Board do its job, never to help or advise the staff. Committees will assist the Board by preparing policy alternatives and implications for Board deliberation, as well as complete specific projects assigned by the Board. In keeping with the Board's broader focus, Board committees will normally not have dealings with current staff operations, except as requested by the CEO.
- 2) Board committees may not speak or act for the Board except when formally given such authority by Board action or controlling documents of the Church for specific and time-limited purposes. Expectations and authority will be stated through a Team Charter in order to clarify the team's responsibilities and expected outcomes.
- 3) Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an

executive action.

- 4) Committees will be used sparingly and ordinarily in an ad hoc capacity. Standing committees may be established as required by Church By-Laws or through Board Policies to ensure continuity of Board functions. A standing committee continues its work from one board to the next and has rotating membership. An ad hoc committee (or task force) is formed for a limited time period to complete a specific assignment, and usually has fixed membership.
- 5) This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

*Board of Trustee Committees*

| <b>Committee Name</b>                             | <b>Committee Purpose</b>  | <b>Source of Authority</b>                                   | <b>Where Defined</b>  | <b>Type of Committee</b>                                     | <b>How Selected</b>   |
|---|---|--|---|--|---|
| Executive Committee                               | Management of board retreat, monthly agendas and meetings, all board business                             | Bylaws   | Bylaws, Board Processes                                       | Standing Committee, Active all year                          | President, Vice-President and Treasurer elected by Church members. Clerk appointed by the Board |
| Nominating Committee                              | Nominations for Board of Trustees, EMGF and Nominating Committees   | Bylaws   | By-Laws, Board Processes                                      | Standing Committee, Active only summer and fall of each year | Congregational vote, plus Board appointee   |
| Endowment and Memorial Gift Fund (EMGF) Committee | Management of all endowment funds   | Bylaws   | By-Laws, Board EMGF Policies, Limitation Policies             | Standing Committee, Active all year                          | Congregational vote   |
| Gift Acceptance Review Panel (GARP)               | Screen gifts to the Church that require special attention, such as trusts or revenue-producing properties | Executive Limitations, Gift Acceptance Policies & Guidelines | Gift Acceptance Policies & Guidelines in Board EMFG Processes | Standing Committee, Meets as needed                          | Members preassigned: CEO, Board President and Treasurer, EMGF Chair                             |
| General Assembly Committee (GA)                   | Solicit and recommend UUA meeting delegates to the board  | Bylaws   | Board Policies  | Standing Committee, Active in months before UUA meetings     | Board appointment   |
| Policy Governance Committee                       | Maintain Board Governance Policies and ensure continued adherence to Policies                             | Board Policies   | Board Policies  | Standing Committee, Active as needed during the year         | Board appointment   |

## ***Board Executive Committee Responsibilities***

The members of the Executive Committee are responsible for management of the board retreat, monthly board meetings, all board business.

Accordingly:

- 1) Chairperson's responsibilities:
  - a. Annual Board Retreat
    - Direct the planning and arrangements for the retreat
    - Lead the selection of goals for coming year
    - Lead the selection of Board Clerk
    - Designate a Parliamentarian
    - Draft covenants for the board
    - Review and assign task force positions
    - Direct scheduling for the year: Executive, Board and Parish meetings
    - Direct review of Carver Policy Governance
  - b. Monthly Executive Committee Meetings
    - Create Consent Agenda
    - Create Base Agenda
    - Monitor Board calendar to ensure all activities are completed in a timely manner
  - c. Monthly Board meetings
    - Lead the meetings and hold the sacred space
    - Limit meetings to 2 hours
  - d. Financial Duties
    - Co-sign church non-payroll checks in excess of \$5,000 if the Treasurer is not available
    - Serve on Gift Acceptance Review Panel to review Church gifts that require special attention
  - e. Nominating Committee
    - Convene the committee's organizational meeting
    - Direct board appointment for the Nominating Committee
    - Receive updates from the Nominating Committee and report to Board
  - f. UUA Nominating Committee
    - Form the committee and provide instructions as to their duties
    - Receive reports from committee and obtain board approval for delegates, delegate voting instructions and congregational proposals
  - g. Parish Meeting
    - Appoint board member(s) to create and/or deliver presentations
    - Report state of the church at December meeting
  - h. Noticing the Congregation
    - Coordinate noticing the congregation of proposed By Law amendments
    - Coordinate noticing the congregation of nominations to the Board of Trustees, the EMGF Committee and the Nomination Committee
  - i. CEO Relationship
    - Develop working relationship with CEO
    - Initiate CEO review process and lead team to provide feedback to CEO

- 2) Vice Chairperson's responsibilities:
  - a. Stand in for the Chairperson if Chairperson is not available
  - b. Complete special assignments as needed by the Board
- 3) Clerk's responsibilities:
  - a. Maintain and communicate the board's annual calendar
  - b. Gather board member signatures on conflict of interest and any other documentation
  - c. Track board member terms and roster of contact information
  - d. Manage board member assignments for various board duties
  - e. Record the priorities determined at the Board retreat
  - f. Schedule and communicate board meetings
  - g. Prepare and distribute the board packet prior to each board meeting
  - h. Verify a quorum is present at each board meeting
  - i. Record minutes of each board meeting and executive committee meeting
  - j. Ensure safe keeping of all official contracts and records of the board
  - k. Certify the list of members eligible to vote at each Congregational Meeting
  - l. Verify a quorum is present at each Congregational Meeting
- 4) Treasurer's responsibilities:
  - a. Provide monthly financial reports to the Board, including (1) statement of activities (income statement); (2) statement of financial position (balance sheet); (3) revenues and expenses from restricted accounts; (4) budget-to-actual comparisons; (5) contributions, disbursements, income, and transfers for funds maintained by the EMGF; and (6) cash available for Church operations and maintained in reserve funds
  - b. Provide reports or details to the Board regarding the collection or composition of pledges and pledge units, capital campaign activity, details on specific contributions or disbursements, and other accounting or financial matters as necessary or requested by the Board
  - c. Provide advice and guidance to the CEO and the Director of Finance and Accounting, as requested, regarding financial or accounting matters, governmental rules and regulations, and best practices for churches and nonprofit entities
  - d. Serve as a member ex officio of the EMGF Committee, and provide advice and guidance to the EMGF Committee, as requested, to facilitate achieving the Fund's defined purposes
  - e. Monitor material transactions to ensure proper accounting classification and, if necessary, disclosure to the Board
  - f. Provide assistance to the Director of Finance and Accounting with completion of the Church's annual financial statement audit, as requested, and communicate the results of the audit to the Board
  - g. Co-sign church non-payroll checks in excess of \$5,000
  - h. Serve on Gift Acceptance Review Panel as needed to review gifts made to the Church that require special attention
  - i. Assist the CEO and Director of Finance and Accounting with drafting the annual budget, as requested



### *Nominating Committee*

The Board shall appoint its allocated member to the nominating committee not later than the end of February. The President shall convene the committee's organizational meeting not later than the end of March. The individual whom the committee selects to be its chair for the year pursuant to the by-laws shall report to the Board each month, beginning in the month of the organizational meeting and ending when the slate of nominees has been determined, on the status and progress of the committee's work. After the Annual (Parish) Meeting, the chair of the Nominating Committee shall convey to the newly elected President of the Congregation a list of candidate names and related data considered for filling positions during the term of the Nominating Committee.

### *UUA General Assembly Committee*

As per the by-laws, the Board sets procedures on selecting and instructing delegates voting in Unitarian Universalist Association elections or attending Unitarian Universalist Association gatherings as representative of the Church.

- 1) The Board will form a General Assembly (GA) Committee to:
  - a. Build awareness of and support participation in the Unitarian Universalist Association of Congregations and the UUA General Assembly across all age groups in our congregation.
  - b. Solicit and recommend UUA GA delegate candidates to the Board of Directors for their consideration.
  - c. Investigate opportunities for funding of on-line and on-site GA attendance.
- 2) The GA Committee shall be comprised of 5 First Church members with previous GA delegate experience for a term of 3 years. As terms expire or as GA Committee members wish to step down, the GA Committee will nominate eligible GA Committee members, which can include previous GA Committee members whose terms have expired, to the Board for approval.
- 3) The GA Committee shall report to the Board of Directors at least:
  - a. upon delegate recommendation,
  - b. to obtain approval for delegate voting instructions,
  - c. to provide an annual summary report on GA, and
  - d. to obtain approval for any congregational proposals to be presented at GA.

Additionally, as to delegate selection and instructions:

- 1) Any Church Member actively holding or running as a candidate for a Unitarian Universalist Association elected office shall recuse themselves from any and all Board discussions, and voting if applicable, regarding the selection and instruction of delegates.
- 2) Officers and Trustees of the Board shall indicate no later than 60 days in advance of any Unitarian Universalist Association election or gathering their interest in being a delegate, and will be allotted delegate slots if interested. If the number of slots is less than the number indicating interest, slots shall be filled by Board tenure (those with the longest tenure of service shall have priority).
- 3) The GA Committee will solicit remaining delegate nominations from the congregation no later than 45 days in advance of any Unitarian Universalist Association election. The

- solicitation must be included in Church-wide publications.
- 4) Nominees may be presented by a Lay Group, or any Church Member including self-nomination. Prior consent of those nominated shall be obtained.
  - 5) The GA Committee shall vet delegate nominees and ensure they are in good standing with the Church.
  - 6) The GA Committee shall present the delegate slate for Board approval.
  - 7) The Board will provide delegates with clear written instructions regarding voting position, as required.
  - 8) The GA Committee will provide delegates with clear written instructions regarding voting position, if required by the Board.

### ***Policy Governance Committee***

The Board will update the Board's governing policies as appropriate to ensure the policies continue to reflect the expectations of the congregation and the needs of the Church.

Accordingly:

- 1) The board will form a Policy Governance Committee (PGC) consisting of three Board members. Committee members will serve for a period of one to three years, depending on the remaining years of Board service. The PGC may invite non-board members to assist in the committee's work.
- 2) The Policy Governance Committee responsibilities:
  - a. Be familiar with Board policies. Explain policy history and intent as needed to help the Board understand and apply applicable policies.
  - b. Initiate and steward the process to gather input from the Congregation at least every two years to determine how well the CEO is achieving the Board's End Statements. Analyze the resulting input to help the Board understand the Congregation's feedback.
  - c. Review established Ends Statements, Executive Limitations, Endowment and Memorial Gift Fund Management Policies, Board Policies and Board to CEO Linkage at least every three years to identify revisions to the full set of governance policies.
  - d. Ensure that all Board policies are consistent with the Church By-Laws.
  - e. Maintain the Carver Policy Revision Log to record and follow-up on proposed revisions.
  - f. Recommend revisions to the Board Policies and Church By-Laws to the full board for approval.
  - g. Maintain Board Policy documents, with appropriate revision tracking, on the Church's document archival system.
  - h. Publish Board Policies on the appropriate page of the Church website.

## ***Strategic Planning***

The Board will actively support the work of the Strategic Planning Committee by informing itself regularly about the Committee's activities and participating in all phases of the process: data gathering, discernment, and development of the mission, vision, objectives, goals, and recommendations. The CEO will inform the Board of the progress of the Committee at periodic intervals. The Board must receive and approve the Strategic Plan submitted by the CEO before it is implemented.

## ***Board Internal Communications***

Communications from Board leadership to Board members and among Board members will be clear and expedient. Care will be taken to ensure that Board members are not excluded or disadvantaged by internal communications policies.

Accordingly,

- 1) Electronic Communications:
  - a. The Board will take appropriate action to facilitate easy distribution of information electronically to all Board members.
  - b. Board members will strive to check their personal electronic communication not less than every two days for announcements and other Board business.
  - c. If Board business requiring action before Monday arises over a weekend, the Chairperson will contact Board members by electronic communication, requesting a response. The Chairperson will be responsible for contacting by phone any Board members who have not responded to the electronic communication by the required time.
- 2) Document Management
  - a. Revision Tracking. The Board will maintain appropriate standards for documents that include:
    - i. Version number, version date/time, and/or other control feature(s) that clearly identify the version or the date the document was last modified.
    - ii. A list of revisions and the reason for each revision as an addendum to the document.
  - b. Document Archive.
    - i. The Church will provide a document archival system to support efficient storage and retrieval of board documents.
    - ii. The Clerk will provide the CEO (or his/her designee) with copies of all relevant board documents for incorporation into the Church's electronic archival systems.

## ***Board External Communications***

The Board shall engage in periodic communication with the congregation to increase congregation awareness of church governance, ensure transparency of board goals and progress and enhance board responsiveness to congregation needs.

Accordingly, the board will ensure that:

- 1) The date and time of all Board meetings, and how to attend a meeting, shall be made available to all Church members.
- 2) Board meeting minutes shall be made available to Church members once approved.
- 3) Church finance updates will be made available to Church members annually.
- 4) Each Executive Committee position will have a permanent Church email to facilitate congregational communications to the Board, for example [boardoftrusteespresident@DallasUU.org](mailto:boardoftrusteespresident@DallasUU.org). Any communications from Church members that raise issues will be presented at the next Executive Committee meeting. This Committee will determine if the issue should be added to the next Board meeting agenda for action or a direct response.
- 5) The Board Chairperson will provide a recorded “State of the Union” message for the December Parish meeting. The message is to relate the activities and accomplishments of that year’s Board of Trustees and the general status of the church from the Board’s perspective.

### ***Noticing the Congregation***

Written communications from the Board are required to: 1) alert congregants about upcoming Church Meetings (annual, regular and special); 2) provide congregants proposed By-Law Amendments to be discussed and voted on at Church Meetings; and 3) provide Church election ballots to voting members. These communications will be disseminated in a manner determined by the Board, mindful of the equal importance of effectively reaching congregants while honoring our commitment to judicious use of resources. While the Board prefers that personal notification to members eligible to vote be sent by electronic means, members may request paper mailings.

- 1) Church Meetings: Whenever possible, notice will be provided by multiple means, including announcements from the pulpit, on the Church website and in the Dallas Unitarian. Members eligible to vote will receive personal notification at least 10 days prior to meetings.
- 2) By-Law Amendments: Whenever possible, members will be notified and invited to provide comment on By-Law amendments. The Board will decide the timing and manner of communication with Members for each step of the process. The board must schedule each step to allow time to gather member comments and distribute the final amendments to members at least thirty (30) days prior to the Church Meeting.
  - a. Draft By-Law amendment concepts will be provided in writing to all members eligible to vote. Notification may be through as many channels as possible: regular mail, electronic means, the Church website and/or the Dallas Unitarian.
  - b. Members will be invited to provide comments through electronic means, regular mail and at two forums with Board members. The forums may be in-person, electronic or blended.
  - c. The Board will consider the comments it receives before drafting the final version of the By-Laws Amendments.
  - d. At least thirty (30) days prior to the Church Meeting, the text of proposed By-Law amendments to be voted on will be made available in writing to all members eligible to vote. Notification may be through as many channels as possible: regular mail, electronic means, the Church website and/or the Dallas Unitarian.

### ***Cost of Governance***

The Board will consciously invest in its ability to govern competently and wisely.

Accordingly,

- 1) Training and retraining will take place at least annually to orient new members and to maintain and increase existing member skills and understandings.
- 2) Outside monitoring assistance may be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
- 3) Governance costs will be prudently budgeted and incurred, though not at the expense of endangering the development and maintenance of superior capability.

### ***Honoring Individuals or Groups by Naming Spaces, Assets or Programs***

The Board of Directors of the First Unitarian Church of Dallas desires to be thoughtful and consistent when exercising its authority to honor individuals or groups that make a significant contribution to the Church. The honor of having a name attached to a space, an asset or a program shall not extend past the useful life of such space, asset or program.

Accordingly,

- 1) A request for the Church to honor an individual or group by adding their name to a space, an asset or a program should be directed to the Senior Minister or to the Board of Trustees through the Executive Committee.
- 2) Each request will be considered by the Board of Trustees. The Board will weigh information relating to the contribution giving rise to the request, the recommendation of the Senior Minister, historical precedent for similar requests, if any, and any other information the Board believes to be relevant.
- 3) Naming may be favorably considered to honor a financial gift that funds 50% or more of the space, asset or program being named in honor of the gift, with a minimum gift of \$500,000 cash, paid in advance of consideration by the Board.
- 4) Naming may be favorably considered to honor an individual or group that has made a significant contribution to the values or mission of First Unitarian Church of Dallas, 10 years or more has passed since the date of the contribution, or 2 years or more has passed since the death of an individual being honored.
- 5) The Board shall determine whether the request should be granted or not.
- 6) Board approval of a request to add the name of an individual or group to an asset or program may include or impose conditions or limitations found to be necessary and appropriate.
- 7) The Board may reconsider a previously granted request to honor an individual or group and may remove the name with or without cause.
- 8) The Senior Minister shall maintain a register of all individuals and groups the Board has chosen to honor pursuant to this policy, including the date the Board acted to approve the honor, and a description of the basis for the honor.

### ***Called Minister Searches***

The Board will be guided by the comprehensive selection process recommended by the UUA for any Called Minister searches. The selection process includes the use of a search committee to carry out the search process and to make a recommendation to the Board. The Board will vote, in

compliance with the By-Laws, on whether to invite the search committee nominee to candidate to the congregation. The search committee size, makeup, and committee selection process will be determined by the Board for each circumstance, and the search committee will be given a specific charge by the Board and be accountable to the Board. Exceptions to the called minister search process policy may be made by majority vote of the Board as circumstances dictate.

### ***Ordination of ministers***

From time to time our congregation may be asked to ordain someone into the Unitarian Universalist ministry. Ordination by First Unitarian Church of Dallas is approved by congregational vote.

The process for requesting ordination is:

- 1) Candidate will discuss the request with the Senior Minister.
- 2) The Senior Minister would then bring his or her proposal to the Board with a recommendation.
- 3) If the Senior Minister recommends proceeding with the ordination, then the Board will assess candidate and vote on whether to make a proposal to the congregation.
- 4) If the Board votes in favor of making a proposal for the ordination to the congregation (per the Church By-Laws), then the candidate should make at least one presentation (meet and greet) to the congregation before the vote.

Ordination of a minister called to serve our congregation:

- 1) The search process may be considered sufficient review of the candidate and their call to ministry or any of the steps outlined below for non-called ministers may be used.
- 2) If this is a candidate for the Senior Minister position, the candidate would need to discuss with the search committee or the board their desire to be ordained at the First Unitarian Church of Dallas.
- 3) The congregation can vote on ordination at the same meeting where they vote on whether to hire this minister (i.e., if congregation approves hiring, the next vote would be on whether to ordain).

Ordination of a minister not serving our congregation or a non-called minister serving our congregation:

- 1) For the Board review of the candidate, consider the following:
  - a. If this person is not serving our congregation, why have they chosen this Church for their ordination?
  - b. Is this person in fellowship with the UUA? (if not, determine why not and consider if this impacts the decision on ordination).
  - c. The board may choose to have a committee of the board interview the candidate, see a resume and/or review an essay on their calling and make a recommendation to the board. This is an especially important process to consider if the candidate is not in fellowship with the UUA.
- 2) Important considerations in the decision of ordination:
  - a. Qualifications and education
  - b. Participation, engagement and relationship with the Church and UUA
  - c. Sense of calling to a ministry related to Unitarian Universalism
  - d. Direction of ministry

- e. Our Church's responsibility to the greater UUA (if we are helping to launch the candidate's ministry, do we feel good about what they will contribute to our denomination?)

### ***Ministers' Sabbaticals***

Our Church may offer a sabbatical program to certain ministers – called or hired. Commitments regarding the sabbatical may be outlined in the agreement letter (the “Call Letter”) signed by the senior minister and the Church at the time the minister is called, or the “Hire Letter” signed by the senior minister at the time the minister is hired. The plan that is actually implemented for each sabbatical should be the outcome of a discussion between the CEO and the Board. While a relatively broad degree of flexibility is implicit in the process to accommodate a wide range of potential circumstances regarding the needs of the Church and the minister at the time of each sabbatical, the Board should adhere to the following policies:

- 1) A written sabbatical plan (the “Sabbatical Plan”) should be submitted to the Board for approval at least 6 months prior to the proposed start date of the sabbatical. A “Called Minister” presents their own plan to the Board. The plan for a “Hired Minister” is presented by the Senior Minister.
- 2) Prior to Board approval of the Sabbatical Plan, information should be gathered about how Churches of similar size and circumstances to ours are handling sabbaticals with regard to costs and procedures.
- 3) The Sabbatical Reserve should be budgeted for and accumulated in accordance with any commitments made in the ministers' Hire or Call Letter.
- 4) The Sabbatical Reserve is the property of the congregation. While a discussion between the Board and the minister is the primary determinant of how these funds should be allocated, the baseline scenario is that they are to be used for hiring and accommodating temporary staff and/or speakers to cover the responsibilities of the minister on sabbatical. Other expenses associated with the sabbatical, such as travel and professional development expenses, should typically be budgeted for within the minister's annual professional expenses.
- 5) Under typical circumstances, the Sabbatical Reserve should be regarded as the very high end of what should actually be required for temporary personnel. Any unused portion of the Sabbatical Reserve remains the property of the Church and should continue to be held in the reserve account to reduce the funding burden required to be accumulated in the reserve for future sabbaticals.
- 6) The CEO is responsible for ensuring that the accounting staff incorporates the Board approved Sabbatical Plan into its controls and procedures and that the Treasurer is apprised of how reserve releases and expense reimbursements are being managed.

# Endowment and Memorial Gift Fund Management

## *EMGF Committee*

Article XII of the Church By-Laws requires an EMGF Committee as a standing committee of the Board of Trustees.

- 1) Duties of EMGF Committee. The EMGF Committee shall:
  - a. designate a Board liaison,
  - b. hold regular meetings, at least quarterly,
  - c. keep written records of all meetings,
  - d. report to the Board at least quarterly,
  - e. maintain accurate records of the status of invested funds, and
  - f. coordinate the appropriate spending of available EMGF funds with the CEO, to whom the Board has delegated spending authority.
  
- 2) Powers of EMGF Committee. Subject to such limitations as are imposed in connection herewith, the EMGF Committee shall have the following powers:
  - a. Invest. To hold, manage, invest, sell, reinvest, lease, care for and protect the assets of the Fund and collect for the Fund the income therefrom. In performing these functions the EMGF Committee shall exercise the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs.
  - b. Retain. To acquire and retain every kind of property; real, personal or mixed and every kind of investment specifically including, but not limited to, bonds, debentures and other corporate obligations, preferred or common stocks, government bonds, notes or bills, certificates of deposit, savings accounts, share accounts, mutual funds, the General Investment Fund of the Unitarian Universalist Association and other investments which persons of prudence and intelligence acquire or retain for their own account.
  - c. Sell and Convey. To sell at public or private sale and convey any or all of the Fund assets and any reinvestments thereof from time to time for such price and upon such terms as they think fit.
  - d. Vote Proxies. To vote, either in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose. To exercise or sell any subscription rights, and to avail themselves of any options or benefits under any life insurance policies.
  - e. Settle Claims. To settle, compromise, contest, prosecute or abandon claims in favor or against the Fund as they may deem advisable. For such purposes, the EMGF Committee may execute and deliver all proper and necessary instruments and may give full receipts and discharges.
  - f. Establish Accounts. To establish, for the Fund, one or more bank or broker accounts as in their opinion are necessary or desirable to carry out their functions provided, however, that in establishing such accounts it shall be made a condition for drawing checks thereon that any check over \$4,000 shall be valid only if signed by any two of the EMGF Committee.



- g. Texas Trust Act. To exercise from time to time all rights, powers, discretion and authorities given Trustees under the terms of the Texas Trust Act as the same now exists and as said act may hereafter be amended.

### ***EMGF Committee Code of Conduct***

The EMGF Committee commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as committee members.

Accordingly:

- 1) Committee members must represent unconflicted loyalty to the interests of the congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups. It also supersedes the personal interest of any committee member acting as a consumer of the Church's services.
- 2) Committee members must avoid conflict of interest with respect to their fiduciary responsibility.
  - a. There must be no self-dealing or any conduct of private business or personal services between any Board member and the Church administration (CEO and staff) except procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
  - b. When the committee 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 by leaving the meeting.
  - c. Committee members must not use their positions to obtain Church employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign from the committee.
  - d. Members will annually disclose their involvements with other organizations, with vendors, or with any other associations that might produce a conflict, by completing a disclosure form at the beginning of each year. Members will also disclose any potential conflicts that arise during the ensuing year.
- 3) Committee members will respect the confidentiality appropriate to issues of a sensitive nature.

### ***Types of Gifts***

- 1) Unrestricted Gifts. The Board, EMGF Committee, and Church staff will encourage giving and accept gifts to add to the unrestricted fund of the EMGF, as called for in the By-Laws.
- 2) Restricted Gifts. The Board, EMGF Committee, and Church staff will encourage giving and accept restricted gifts, including memorial gifts, subject to the then current gift acceptance policies. Restricted gifts will not be required to be true endowments, in that they may be designated by the donor to be expended in their entirety, principal included, over a specified period of time.
- 3) Requirement of Professional Investment Advice. The EMGF Committee shall engage professional investment advisers to assist in the management of the Fund's assets in a

prudent manner.

- 4) Disbursements. The EMGF Committee shall make disbursements from the Fund from time to time in accordance with
  - a. the directives and restrictions in this section,
  - b. any and all directives and restrictions in the Church By-Laws, and
  - c. any and all directives and restrictions resulting from the enactment of Board policy.

These disbursements shall be made in coordination with the CEO, to whom the Board has delegated authority and responsibility for utilizing the spendable proceeds of the Fund.

- 5) Loans. Loans not authorized in the Church By-Laws must be approved by a two-thirds majority vote of those Church members eligible to vote and present at a regular or special meeting of the Congregation, provided that at least twenty (20) days notice has been given to the congregation that such a vote is to be taken. Such loans may only be for capital equipment or capital improvements. The rate of interest on such loans shall be negotiable.

### ***Gift Acceptance Policies & Guidelines***

The First Unitarian Church of Dallas, a nonprofit corporation organized under the laws of the State of Texas, encourages the solicitation and acceptance of gifts to the First Unitarian Church of Dallas (hereinafter referred to as “the Church”) for purposes that will help to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Church or for the benefit of any of its programs.

#### 1) Purpose of Policies and Guidelines

Church volunteers and staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Church. It is the purpose of these policies and guidelines to govern the acceptance of gifts by the Church and to provide guidance to prospective donors and their advisors when making gifts to the Church. The provisions of these policies shall apply to all gifts received by the Church for any of its programs or services.

#### 2) Use of Legal Counsel

The Church shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- a. Review of closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Review of documents naming the Church as a Trustee
- c. Review of all gifts involving contracts, such as bargain sales or other documents requiring the Church to assume an obligation
- d. Review of all transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Review Panel

#### 3) Conflict of Interest

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Church will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning (formerly known as the National Committee on Planned Giving), as the most current version incorporate by reference as an appendix to this document.

4) Restrictions on Gifts

The Church will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities, and provided that such gifts do not jeopardize the nonprofit status of the Church. The Church will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the By-Laws or articles of incorporation, gifts that are too difficult to administer, or gifts that are for purposes outside the mission or ends of the Church. It is a priority for the Church to have a written agreement with the donor(s) regarding the intended use of any restricted gift. Restricted gifts to the Endowment Fund shall also require compliance with the Specified Fund.

5) The Gift Acceptance Review Panel (GARP)

The GARP shall be a standing committee of the Board of Trustees and consist of:

- The Senior Minister/CEO of the Church or designee
- The President of the Board of Trustees of the Church
- The Treasurer of the Board of Trustees of the Church
- The Chair of the EMGF Committee of the Church

The GARP is charged with the responsibility of reviewing all gifts made to the Church that require special attention, per this policy, and properly screening and accepting/rejecting those gifts. In the unusual circumstance that the GARP determines that a certain gift requires Board of Trustees review and approval, the GARP shall refer such gift and its recommendation to the Board of Trustees, from which point the Board of Trustees will inform the GARP of its acceptance or rejection within 60 days.

The GARP may also undertake special projects at the direction of the Board of Trustees.

The GARP shall be empowered to solicit the advice and opinion of other members of the Church, independent counsel, or professional financial or tax resources as appropriate, so long as any related fees or expenses incurred by the GARP are approved in advance by the Board of Trustees.

6) Types of Gifts

The following gifts are acceptable:

- a. Cash
- b. Tangible Personal Property
- c. Securities
- d. Real Estate
- e. Remainder Interests in Property
- f. Oil, Gas, and Mineral Interests
- g. Bargain Sales
- h. Life Insurance
- i. Charitable Gift Annuities
- j. Charitable Remainder Trusts
- k. Charitable Lead Trusts
- l. Retirement Plan Beneficiary Designations
- m. Bequests
- n. Life Insurance Beneficiary Designations

The following criteria govern the acceptance of each gift form:

- a. Cash: Cash is acceptable in any form. Checks shall be made payable to the First Unitarian church of Dallas and shall be delivered to the Church's administrative offices.
- b. Tangible Personal Property: All gifts of tangible personal property shall be examined in light of the following criteria;
  - Does the property fulfill the mission of the Church?
  - Is the property marketable?
  - Are there any undue restrictions on the use, display, or sale of the property?
  - Are there any carrying costs for the property?
- c. Securities: The Church can accept both publicly traded securities and closely held securities.
  - Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases applicable securities law may restrict marketable securities; in such instance the GARP shall make the final determination on the acceptance of the restricted securities.
  - Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the GARP. However, gifts must be reviewed prior to acceptance to determine whether:
    - There are any restrictions on the security that would prevent the Church from ultimately converting those assets to cash
    - The security is marketable
    - The security will generate any undesirable tax consequences for the Church.
    - The security has any recourse liabilities or capital call requirements attached to it.Every effort will be made to sell non-marketable securities as quickly as possible.
- d. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Church shall require an initial environmental review of the property to ensure that the property is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem, the Church shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor(s). Where appropriate, a title binder shall be obtained by the Church prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor(s).

Prior to acceptance of the real property, the gift shall be approved by the GARP, and by the Church's legal counsel if appropriate. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Church?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?

- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
  - Does the environmental audit reflect that the property is not damaged?
  - Is the property subject to any proposed zoning changes, or within the notice area for any zoning changes under consideration by a governmental entity or being heard by a court on appeal?
- e. Remainder Interests in Property: The Church will accept a remainder interest in a personal residence, farm, or vacation home subject to the provisions of the above paragraph on real estate. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor(s), the Church may use the property or reduce it to cash. Where the Church receives a gift of the remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor(s) or primary beneficiaries.
- f. Oil, Gas, and Mineral Interest: The Church may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the GARP, and if necessary, by legal counsel. Criteria for acceptance of the property shall include:
- Gifts of surface rights should have a value of \$20,000 or greater.
  - Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
  - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
  - If the interest is a working interest, the organization should determine the impact on the Church so that it may develop a plan to minimize that impact if accepted.
  - The property should undergo an environmental review to ensure that the Church has no current or potential exposure to environmental liability.
  - The interest shall place no capital call requirements upon the Church.
- g. Bargain Sales: The Church will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Church. All bargain sales must be reviewed and approved by the GARP. Factors used in determining the appropriateness of the transaction include:
- The Church must obtain an independent appraisal substantiating the value of the property.
  - If the Church assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
  - The Church must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
  - The Church must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
- h. Life Insurance: The Church must be named as owner (and beneficiary) of an insurance policy before a life insurance policy can be recorded as a current and outright gift. Insurance policies are valued at the interpolated terminal reserve value if ongoing

premiums are required. However, the donor(s)' deduction is based on the lesser of the policy's fair market value or cost basis. (Policies that are contractually paid-up are rare and have different valuation and deduction amounts.) If the donor(s) contributes future premium payments, the Church will designate the additional premium payment as a gift in the year that it is made. If the donor(s) does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Church may:

- Continue to pay the premiums, subject to a review and confirmation by the
  - GARP
  - Convert the policy to fully paid up life insurance
  - Surrender the policy for its current surrender cash value
- i. Charitable Gift Annuities: The Church may offer charitable gift annuities. The minimum gift for funding shall be \$50,000. The GARP may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries can be permitted for any gift annuity.
- Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The GARP may approve exceptions to this payment schedule. The Church will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Church may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the GARP approves the arrangement.
- Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the fund representing the remaining principal contributed in exchange for the gift annuity shall be transferred to such specific fund as designated by the donor (or, in the absence of a donor(s) designation, the funds shall be handled according to the church's policy for unrestricted bequests).
- j. Charitable Remainder Trusts: The Church may accept a designation as remainder beneficiary of the charitable remainder trust. The Church will not accept appointment as Trustee of a charitable remainder trust.
- k. Charitable Lead Trusts: The Church may accept a designation as income beneficiary of a charitable lead trust. The Church will not accept an appointment as Trustee of a charitable lead trust.
- l. Retirement Plan Beneficiary Designation: Donors and supporters of The Church shall be encouraged to name the Church as beneficiary of their retirement plans or tax-deferred accounts. Such designations shall not be recorded as gifts to the Church until such time as the gift is irrevocable. Where the gift is irrevocable (i.e., upon death), but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

- m. Bequests: Donors and supporters of the Church shall be encouraged to make bequests to the Church under their wills and trusts. Such bequests shall not be recorded as gifts to the Church until such time as the gift is irrevocable (i.e., upon death). Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
  - n. Life Insurance Beneficiary Designations: Donors and supporters of the Church shall be encouraged to name the Church as a beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as current gifts to the Church until such time as the gift is irrevocable (i.e., upon death). Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- 7) Miscellaneous Provisions
- a. Securing appraisals and legal fees for gifts to the Church: It shall be the responsibility of the donor(s) to secure an appraisal (where required) and independent legal counsel for all gifts made to the Church. The Church cannot pay for, or provide funds for, the costs of an appraisal or legal fees.
  - b. Valuation of gifts for development purposes: The Church shall record a gift received by the Church at its valuation for gift purposes on the date of gift.
  - c. Responsibility for IRS Filings upon sale of gift items: The CEO will be responsible for taking all actions and filing all documents required by law and IRS regulations within their specified timeframes in the disposition of gift items.
  - d. Acknowledgment of gifts made to the Church and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the CEO.

## **Board-CEO Linkage**

### ***Global Board-CEO Linkage***

The Board will link governance and management functions through the Chief Executive Office.

### ***Unity of Control***

Only decisions of the Board acting as a body are binding on the CEO.

Accordingly:

- 1) Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except in rare instances when the Board has specifically authorized such exercise of authority.
- 2) In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive.

### ***Accountability of the CEO***

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.

Accordingly:

- 1) The Board will never give instructions to persons who report directly or indirectly to the CEO.
- 2) The Board will refrain from evaluating, either formally or informally, any staff other than the CEO.
- 3) The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends and avoidance of Board-prohibited means will be viewed as successful CEO performance.

### ***Delegation to the CEO***

The Board will delegate authority to the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

- 1) The Board will develop policies instructing the CEO to achieve certain results, for certain recipients, at a specified cost. These policies will be developed systematically



from the broadest, most general level to more defined levels, and will be called Ends policies.

- 2) The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
- 3) As long as the CEO uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish any further policies, make any decisions, take any actions, establish any practices, and develop any activities.
- 4) The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation to the CEO is in place, the Board will respect and support the CEO's choices.

### ***Monitoring CEO Performance***

Systematic and rigorous monitoring of CEO job performance will be solely against the only expected CEO job outputs: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established on Executive Limitations.

Accordingly:

- 1) Monitoring is simply to determine the degree to which Board policies are being met. No other data will be considered monitoring data.
- 2) The Board will acquire monitoring data by one or more of three methods:
  - a. by internal report, in which the CEO discloses compliance information to the Board,
  - b. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and
  - c. by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria, or by which church members are directly asked for their opinion (survey).
- 3) In every case, the standard for compliance shall be any reasonable CEO interpretation of the Board policy being monitored.
- 4) All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

The following table outlines the report types and frequency that are used by the Board to monitor the CEO throughout the year. All reports are to be delivered in writing to the board before the board meeting in which the report will be discussed.

| <b><u>Report</u></b> | <b><u>Frequency</u></b> | <b><u>Content</u></b>   | <b><u>Notes</u></b>                                      |
|----------------------|-------------------------|---|--|
| CEO Report           | Monthly                 | - End statements report (line item by end statement)<br>- Report on exceptions or CEO limitations | Preferably in a cumulative format (i.e. include previous |

|  |                 |  |  |
|--|-----------------|--|--|
|  |                 | - Treasurer's report   | months report and highlight the new information)   |
| Dashboard  | Quarterly       | <ul style="list-style-type: none"> <li>New member numbers and trend</li> <li>- Total membership and trend</li> <li>- Sunday services attendance trend</li> <li>- Member participation in teaching RE and Adult RE</li> <li>- Member participation in service and social action projects</li> <li>- Community service report <ul style="list-style-type: none"> <li>o Activities</li> <li>o Allocation of funds</li> </ul> </li> <li>- First Sunday collection report</li> <li>- RE enrollment and attendance (children and youth)</li> <li>- Other educational events, discussion groups or lectures listed by event <ul style="list-style-type: none"> <li>o Event attendance</li> </ul> </li> <li>- DAI/UUSC/NTAUUS/etc. by event <ul style="list-style-type: none"> <li>o Event attendance</li> </ul> </li> <li>- Chalice circles (number of circles and attendance)</li> <li>- Pastoral Care report</li> </ul> | <p>To be delivered 4 times a year (April, July, October, January)</p> <p>Written, delivered before the board meeting – agreed upon format and contents, which can be modified from time to time by the Board and the CEO to better match the Ends Statements and better accomplish the monitoring goals.</p> |
| Congregation Survey                                  | Every 2-3 years | <ul style="list-style-type: none"> <li>- The CEO is responsible for defining and administering the congregation survey</li> <li>- Questions based on End Statements</li> <li>- Additional input on questions from board</li> <li>- Survey date is to be determined by the CEO in consultation with the board</li> </ul>  | Report results to board within 6 weeks of survey closing date  |
| Annual CEO Report                                    | Annually        | <ul style="list-style-type: none"> <li>- End Statements report (line item by end statement)</li> <li>- Report on exceptions or CEO limitations</li> <li>- Treasurer's report</li> <li>- Building progress report (as long as applicable)</li> <li>- Report on relations with external organizations of which the church is a member</li> </ul>   | Compilation of the monthly reports   |
| Annual Administrative Review of the CEO by the board | Annually        | <ul style="list-style-type: none"> <li>- Occurs after the Annual CEO report has been received by the board</li> <li>- Executive Session of the board conducted <ul style="list-style-type: none"> <li>o Comments specifically on the End Statements and Executive Limitations</li> <li>o A scribe designated by the board chairperson will summarize the results</li> </ul> </li> <li>- One or 2 member(s) of the board as designated by the board chairperson will review the results of the executive session with the CEO before the next board meeting</li> </ul>  | -  |

An additional aspect of monitoring CEO performance involves a regular review of the Executive Limitations set forth within the Approved Policies of the Board of Trustees with a focus on any exceptions to the presumption of operation within these constraints. Accordingly, the Board should receive from the CEO a checklist (the "Exceptions Checklist") itemizing the Executive Limitations along with confirmation that the constraint was adhered to over the period in

question, or, if the constraint was violated, a discussion of the details underlying the violation and why it occurred.

The following table provides a list of the Executive Limitations and the minimum frequency each limitation should be reported on the Exceptions Checklist:

| <b><u>Limitation</u></b>                     | <b><u>Frequency</u></b>                            |
|--|--|
| Executive Constraint                         | Monthly  |
| Treatment of Members, Friends, and Visitors  | Monthly  |
| Treatment of Staff                           | Monthly  |
| Financial Planning and Budgeting             | Annually   |
| Financial Conditions and Activities          | Monthly  |
| Endowment and Memorial Gift Fund Limitations | Monthly  |
| Emergency CEO Succession                     | Annually   |
| Asset Protection                             | Monthly  |
| Compensation and Benefits                    | Monthly  |
| Communications and Support to the Board      | Board evaluates annually – not on Exception Report |
| Ends Focus of Grants or Contract             | Monthly  |