

# Eno River Unitarian Universalist Fellowship Governance Policies

*Note: In regard to the following governance policies, where there is contradiction between the Bylaws and these policies in terms of congregational authority, the Bylaws supersede these policies until the Bylaws are changed and approved by the congregation.*

## II. Executive Limitations Policy

### EL1 GENERAL LEAD MINISTER CONSTRAINT

The Lead Minister shall not cause or allow any practice, activity, decision or congregational circumstance which is either imprudent or in violation of commonly accepted business and professional ethics and/or statutory obligations.

1. Dealings with staff and volunteers shall not be inhumane, unfair or disrespectful.
2. Budgeting any fiscal period or the remaining part of any fiscal period shall not deviate materially from board Ends, risk fiscal jeopardy or fail to show a generally acceptable level of foresight.
3. Actual financial conditions at any time shall not incur fiscal jeopardy or compromise board Ends.
4. Information and advice to the board will have no significant gaps in timeliness, completeness, or accuracy.
5. Assets shall not be unprotected, inadequately maintained or unnecessarily risked.
6. Compensation and benefits shall not deviate materially from market.
7. There shall be no conflict of interest in awarding purchases or other contracts.

### EL2 STAFF TREATMENT

With respect to treatment of paid and volunteer staff, the Lead Minister may not cause or allow conditions which are inhumane, unfair, or disrespectful.

Accordingly, s/he may not:

1. Discriminate among employees on other than clearly job-related, individual

performance or qualifications.

2. Subject staff to unsafe or unhealthy conditions.
3. Withhold from staff a due-process grievance procedure, able to be used without bias.
4. Prevent staff from grieving to the board when: a) internal grievance procedures have been exhausted and b) the employee alleges either that (i) board policy has been violated to his/her detriment or (ii) board policy does not adequately protect his/her human rights.

### **EL3 COMPENSATION AND BENEFITS**

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

Accordingly, s/he may not:

1. Change his/her own compensation and benefits as established by the board.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits which:
  - A. Deviate materially from the geographic or professional market for the skills employed.
  - B. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.
  - C. Fail to honor ERUUF's commitment to become a Fair Compensation congregation according to UUA standards.
4. Establish deferred or long term compensation and benefits which:
  - A. Cause unfunded liabilities to occur or in any way commit the congregation to benefits which incur unpredictable future costs
  - B. Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity in key employees are not prohibited.
  - C. Allow any employee to lose benefits already accrued from any foregoing plan.
  - D. Treat the Lead Minister differently from other comparable key employees.

E. Is instituted without prior monitoring of these above stated provisions.

#### **EL4 FINANCIAL PLANNING**

With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the Lead Minister may not jeopardize either programmatic or fiscal integrity of the congregation.

Accordingly, s/he may not cause or allow budgeting which:

1. Contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Deviates materially from board-stated priorities (see *ENDS* policies) in its allocation among competing budgetary needs.

#### **EL5 FINANCIAL CONDITION**

With respect to the actual, ongoing condition of the congregation's financial health, the Lead Minister may not cause or allow the development of fiscal jeopardy or loss of allocation integrity.

Accordingly, s/he may not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
2. Indebt the congregation in an amount greater than can be repaid by certain, otherwise, unencumbered revenues within 90 days.
3. Expend any designated funds other than for purposes determined at the time of receipt or designation.
4. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
5. Allow actual allocations to deviate materially from board priorities in *ENDS* policies.
6. Allow allocation of surplus finds from the annual budget to deviate materially from the Board priorities in *Ends* policies (added as an amendment on 4/15/08)

## **EL6 ASSET PROTECTION**

With respect to proper stewardship of the congregation's assets, the Lead Minister may not risk losses beyond those necessary in the normal course of business.

Accordingly, s/he may not:

1. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.
2. Allow unbonded personnel access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the congregation, its board or staff to claims of liability or risk the nonprofit status.
5. Make any purchases not provided for in either the capital expenditure or operational projections.
6. Make any purchases or award any contracts over \$10,000 without competitive bids.
7. Receive, process or disburse funds under controls insufficient to meet the board appointed auditor's standards.
8. Invest operating capital in illiquid, unsecured instruments, including uninsured checking accounts and bonds of less than AAA rating.
9. Shall not accept any gift with restrictions that are contrary to Ends policies or Executive Limitations policy.

## **EL7 COMMUNICATION AND COUNSEL TO THE BOARD**

With respect to providing information and counsel to the board, the Lead Minister may not cause or allow the board to be uninformed or misinformed.

Accordingly s/he may not:

1. Let the board be unaware of relevant trends, public events of the congregation, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.
2. Fail to submit the monitoring data required by the board policy "Monitoring Lead

Minister Performance” in a timely, accurate and understandable fashion, directly addressing provisions of the board policies.

3. Fail to gather as many staff and external points of view, issues, and options as needed for fully informed board choices.
4. Present information in unnecessarily complex or lengthy form.

*Change history:*

*Executive Limitations Policy was approved by the Board on 10/16/07*

*EL5.6 was added as an amendment on 4/15/08*