

Eno River Unitarian Universalist Fellowship Governance Policies

IV. Board-Lead Minister Relationship Policy

B-LM1 DELEGATION TO THE LEAD MINISTER

The board's job is generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the Lead Minister. Ends policies direct the Lead Minister to achieve certain results; Lead Minister Limitations policies constrain the Lead Minister to act within acceptable boundaries of prudence and ethics. All board authority delegated to staff is delegated through the Lead Minister, so that all authority and accountability of staff can be phrased, insofar as the board is concerned as authority and accountability of the Lead Minister.

- A. The Lead Minister is authorized to establish all further policies, make all decisions, take all actions and develop all activities that are true to the board's policies. The board may, by extending its policies, "undelegate" areas of the Lead Minister's authority but will respect the Lead Minister's choices so long as the delegation continues. This does not prevent the board from obtaining information about activities in the delegated areas.
- B. In consultation with the board, the Lead Minister shall appoint a Coordinating Team to assist in the administration of the Fellowship. The Lead Minister shall retain final authority in the administration of the Fellowship.
- C. No individual trustee, officer, or board committee has authority over the Lead Minister. Information may be requested by any individual trustee, officer, or committee, but if such request in the Lead Minister's judgment requires a material amount of staff time, it may be refused with explanation.
- D. The Lead Minister may not perform, allow, or cause to be performed any act that is contrary to explicit board constraints (see Lead Minister Limitations policies) on Lead Minister authority.
- E. Should the Lead Minister deem it necessary to violate board policy, he or she shall inform the board chair or another trustee if the chair is not available. Informing is simply to guarantee no violation is intentionally kept from the board, not to request approval. Trustee response, either approving or disapproving, does not exempt the Lead Minister from subsequent board judgment of the action nor does it impede any Lead Minister decision.
- F. Lead Minister authority does not extend to supervising, interpreting board policies to, or otherwise directing the chair, individual trustees, or board subgroups regarding board policy. Nothing in this policy is intended to interfere with mutual interaction about individual understanding of policies.

B-LM2 LEAD MINISTER JOB CONTRIBUTION

As the board's official link to the operating organization, the Lead Minister is accountable for all organizational performance and exercises all authority transmitted into the organization by the board via ERUUF's governing policies. Lead Minister performance will be considered to be synonymous with the performance of ERUUF.

A. Consequently, the Lead Minister's job contributions can be stated as performance in three areas:

1. Accomplishment of organizational ends as stated in board policies
2. Organizational operation within the boundaries of prudence and ethics established in board policies on Lead Minister limitations
3. Appropriate use and delegation of power.

B. Shared Ministry and Collaborative Leadership

Wherever possible, without violating the boundaries established by these policies, the Board-Lead Minister-Coordinating Team relationships shall uphold the principles of shared ministry and collaborative leadership. Such principles in practice:

1. Establish relationships in covenant with each other
2. Allow for mutual interaction and feedback in the development and understanding of policies
3. Allow for the open discussion of ideas and new initiatives
4. Allow for sharing of information concerning activities and programs when requested
5. Determine transparent systems for resolving differences between participating parties when agreement cannot be reached among team members.

The practice of shared ministry and collaborative leadership should significantly support the job contribution of the Lead Minister, while at the same time providing appropriate constraints.

B-LM3. MONITORING LEAD MINISTER PERFORMANCE

Monitoring Lead Minister performance is synonymous with monitoring organizational performance against board policies on ends and on Lead Minister limitations. Monitoring will be as automatic as possible, using a minimum of board time so that meetings can be used to create the future rather than review the past.

A. The purpose of monitoring is simply to determine the degree to which board policies are being fulfilled. Information that does not do this will not be considered to be monitoring.

B. A given policy may be monitored in one or more of three ways:

1. Internal Report: Disclosure of compliance information to the board from the Lead Minister.
2. External Report: Discovery of compliance information by a disinterested external auditor, inspector, or judge who is selected by and reports directly to the board. Such reports must assess Lead Minister performance only against policies of the board, not the external party unless the board has previously indicated that party's opinion to be the standard.
3. Direct Board Inspection: Discovery of compliance information by a trustee, a board committee, or the board as a whole. This is a board inspection of documents, activities, or circumstances directed by the board that allows a "prudent person" test of policy compliance.

C. Upon the choice of the board, any policy may be monitored by any method at any time. However, each Ends and Lead Minister Limitations policy of the board will be classified by the board according to frequency and method of regular monitoring (see chart following). As often as possible these reports should be included in the board mailing for regularly scheduled board meetings so that trustees may thoroughly review them prior to the meeting.

1. Monthly internal reports: Ends, financial condition, staff change information (additions and departures, plans for replacement).
2. Quarterly internal reports: Ends, staff/volunteer treatment, financial planning, membership (net losses and net gains and totals).
3. Semiannual internal reports: Asset protection, staff/volunteer complaints filed under grievance procedure (number and nature).
4. Annual internal reports: Ends, communication and counsel.
5. Annual external reports: Asset protection/financial condition (board arranged audit).

Chart: Frequency and Method of Regular Monitoring

POLICY	METHOD	FREQUENCY	Notes
Protection of Assets II. EL6	Internal report (internal control policies and staff responsibilities)	Semi-annual (January/July)	1. Mid-year checkin
	External report (Audit)	Annual (October)	2. As close to end of fiscal year as possible
Financial Condition II. EL5	Internal report (Income & Expense, balance sheet; record of bank reconciliations)	Monthly	3. Board reviews at monthly meeting; Reports to be generated by financial software
	External report (Audit)	Annual (October)	
Staff Compensation & Benefits II. EL3	Internal report	Annual (August)	4. Budget will be in place; check for compliance
Staff/Volunteer Treatment II. EL2	Internal report (staff changes; exit interviews)	Monthly	3. Board reviews at monthly meeting
	Internal report	Quarterly	5a. Quarterly reports will be issued Oct, Jan, Apr, July
	Internal report (complaints)	Semi-annual (October/April)	6. Complaints more likely after annual evaluation
	Direct inspection (including grievance procedures; Board survey of staff)	Annual (January)	7. Direct inspections in January after new board oriented
Financial Planning (Budget) II. EL4	Internal report (Income & Expense report with budget projections)	Quarterly	5a. Quarterly reports will be issued Oct, Jan, Apr, July
III. Board Job Performance GP4.D	Direct inspection	Quarterly	5b. Quarterly review in Oct, Jan, Apr, July
Program Outcomes (Ends) IV. B-LM2	Internal report	Monthly	3. Board reviews at monthly meeting
	Internal report (membership)	Quarterly	5a. Quarterly reports will be issued Oct, Jan, Apr, July
	Internal report	Annual (September)	8. Annual report for prior fiscal year
Strategic Plan	Internal report	Semi-annual (August/January)	9. Review early in fiscal year and also as part of budget setting

Any other policy shall be monitored by internal report each calendar quarter.

Original approval May 20, 2008; revised July 21, 2009; December 15, 2009; January 19, 2010

D. Financial Monitoring Reports

1. Monthly reports to the Board of Trustees shall include:
 - a. Current balance sheet
 - b. Two forms of an income and expense statement (I & E) of the general operating fund with comparison to the calendarized budget or comparison with the I & E report for the same time period for the past two years as well as an explanation for significant variances from budget.
 - i. One form with detail equivalent to the form in which the budget was presented and approved at the annual meeting to be given to the board's Financial Advisory Committee for review
 - ii. Another form with abbreviated detail where significant trends can be immediately perceived to be given to the entire board and made available to the congregation
 - c. Record of bank statement reconciliation including a list of outstanding checks to be given to the board's Finance Advisory Committee for review
 - d. Documentation of any changes in fund balances other than the general operating fund to be given to the board's Financial Advisory Committee for review.
2. The balance sheet and I & E reports shall be generated directly by the financial software and not be compiled into a program like Excel. However, it is understood that the current financial software cannot generate comparison reports and therefore the comparison to calendarized budget or previous years will have to be presented in an Excel file until such time as the current financial software is replaced.
3. The semi-annual protection of assets internal report shall initially include a written copy of all internal control policies and a list of the personnel assigned individual responsibilities according to these policies. Succeeding reports should detail any revisions or additions to these policies, generated either in house or because of a recommendation from the annual external audit.
4. A monitoring trail that summarizes what was reviewed and what action, if any, was taken shall be prepared by the Financial Liaison Officer or board representative on the Finance Advisory Committee and kept on file at ERUUF with the monitoring reports.

B-LM4 DISCIPLINARY POLICY

The board will pursue the following process in the event that it determines a policy violation has occurred and it judges the degree and seriousness of the violation warrants initiating a disciplinary process:

- A. Verbal warning (noted as such in writing to establish appropriate documentation of said step); more frequent monitoring of the violated policy; the Lead Minister will present to

the board at the next board meeting (via the board mailing prior to the meeting) his or her plan to remediate the violated policy.

- B. First written warning. This step will be taken if there is no noticeable improvement in the Lead Minister's willingness and/or ability to refrain from the policy violation following a reasonable period of time for the Lead Minister to implement changes and for the board to monitor them.
- C. Second written warning. This step will be taken if the policy violation continues. The board at this point may also determine whether to notify the congregation, the means of doing so, and the content of the communication.
- D. If the policy violation continues without remediation following the verbal and written warnings, the board will:
 - 1. Recommend dismissal of the Lead Minister for continued policy violation. The board will meet with the Lead Minister to determine how to address his or her departure.
 - 2. Make known to the congregation the nature of the ongoing policy violations as well as the ongoing efforts to address the issue at every point and will call a meeting of the congregation in compliance with ERUUF's bylaws regarding dismissal of the Lead Minister.

B-LM5 LEAD MINISTER COMPENSATION

With regard to Lead Minister compensation, ERUUF recognizes and supports the compensation guidelines recommended by the UUA.

- A. Lead Minister compensation consists of salary (including housing allowance) and benefits. Professional expenses are not part of compensation but as a cost of doing business are included in the total cost of ministry.
- B. The board will annually approve an amount of increase in the Lead Minister's salary as appropriate to current financial conditions. Annual increases for the Lead Minister are in two separate categories:
 - 1. A cost of living increase will occur annually, based on the Consumer Price Index (CPI) estimate for the current year.
 - 2. A merit increase above the adjustment for cost of living is appropriate every two to three years, depending upon current financial conditions. The board will compile the results of the Lead Minister's performance evaluation for the time period since the last merit increase and use these to assist in determining such merit increase. A merit increase is compensation for increased skill and growth in two areas:

- a. Accomplishment of organizational ends as stated in board policies.
 - b. Organizational operation within the boundaries of prudence and ethics established in board policies on Lead Minister limitations.
- C. The board will maintain records of Lead Minister salary increases and review this policy annually.

Change history:

Board-Lead Minister Relationship Policy was approved by the Board of Trustees on 5/20/08

B-LM3.C chart cells for Financial Condition and Planning description of internal reports revised on 7/21/09

B-LM.3.D Financial Monitoring Reports approved by the board as added policy on 7/21/09

B-LM3.C chart cell for Staff/Volunteer Treatment revised to specify internal reports to include exit interviews on 12/15/09

B-LM2.B added by amendment 1/19/2010

B-LM3.D amended 1/19/2010