

Meeting Notes: Bylaws Task Force Group Discussion August 16, 2009

The meeting this month will focus on four key issues: 1) the Nominating Committee and nominations process; 2) Officers and the Board Structure; 3) Which rules should be in the bylaws regarding the creation, governance, and expectations of committees; 4) Are there any committees that should be required in the bylaws.

To facilitate the discussion, the Bylaws TF would like to request two considerations for this meeting –

A) The mechanism of governance being discussed is "Policy-based Governance" (rather than just "policy-governance"). The notion that there should be rules to define how the organization is run is the essence of P-B G. The most fundamental rules constitute the Bylaws, while rules that need to be flexible and adapt to changing circumstances are in the policies. The policies/rules should provide transparency, clarity, and organizational responsibility. The congregation holds the ultimate authority, but because an organization the size of ERUUF requires more active management than congregational meetings can provide, much of that authority is delegated to an elected board. The Board, in turn, will define how it delegates authority to a paid professional staff (like the lead minister, paid executive administrator, and/or Executive Team) and volunteers. Which brings up request #2:

B) At the September meeting we will discuss a variety of models from other UU congregations regarding the tasks assigned to an executive-administrative branch and how that branch could be organized. In P-B G, the Board creates policies that assign roles and responsibilities to the staff, so that they know what they can and should do, as well as the limits to their authority. For now, we have NOT decided what model to use for our executive-administrative function, so we would prefer to work knowing that will be resolved in the future. The function is clear - the actual design is not yet.

The overriding theme of this Sunday is that growth has made it necessary to rethink the way we do business. We are too large to operate efficiently the way we used to do. In that respect:

I. Nominating Committee - Nominations process

1. The Nominating Committee has a bigger task to know the membership and find good leaders with vision and commitment. Therefore it may need to expand its scope and membership and it needs to be an important link to exercising the moral authority of the congregation.

A) Should the Nominating Committee consist of more than the current 5 members (4 elected) with longer terms (currently 2 years) to provide continuity?

B) How should the slate of candidates for the Nominating Committee be nominated (currently they are nominated by the Board)?

C) If there are to be nominees from the Congregation, in addition to those from the NomComm or the Board (whichever we choose), should the process be by petition? If so, how many signatures? Or should nominations be allowed from the floor? There is some risk in the latter

position that the election can be "hijacked" by activist groups. It also limits time for thought regarding the candidates.

D) Should the Board have a representative on the Nominating Committee?

II. Officers and the Board Structure

In a large organization where there is a demand for an informed, extensive leadership, are the roles of a few officers (e.g. President, VP, Treasurer) so important that they should be elected by the congregation or should the entire Board of Trustees be viewed as the officers of the congregation and then they select certain Board members to take on the major tasks of organizing their work (Chair, Secretary, financial oversight) according to their abilities? Note the questions in Section 4 that deal specifically with the Treasurer and financial oversight. See the attached sheet regarding how other UU congregations have decided (and note there's no consensus!)

III. Committees

In a large congregation, allowing flexibility, innovation and creativity to occur in a responsible fashion is essential to providing both the means and opportunity for the many individual members to enrich their spiritual life. That is one role for committees. They are also a means to get work accomplished. Should the bylaws contain language that regulates the fundamental way committees work at ERUUF, including governing their creation, leadership, function and reporting structure? Or can they be more open and leave much of the detail to policies that can be more easily modified as circumstances dictate. Specifically should there be bylaw rules that:

- a) Separate Board designated committees (for example, an evaluation committee) from administrative-functional committees (H&G, membership, music, etc).
- b) Permit members to suggest and form new ad hoc committees that are consistent with the fellowship's ends and means and that do not overlap with the function of an existing committee, subject to BOT or executive approval.
- c) Include rules about committee organization and leadership. For example, the chair must be a member, written reports are required, conditions for dissolving the committee are specified, etc.

IV. Required Committees

Are there any committees, either policy/monitoring related (report to the Board) or administrative/program (report to the Executive) that should be specifically mandated by the bylaws?

a. The most discussed has been a Finance Committee. Many larger organizations like ERUUF that have a bookkeeper and administrator find that the traditional treasurer role is less important than finding a mechanism to assure financial oversight. As an example of how policies could handle this, we provide here the current Board policies that set up a Finance Committee and spell out specific financial monitoring reports that the Executive must provide for the Board to review (in addition there are Lead Minister Limitation Policies that dictate what the Lead Minister or Executive cannot do regarding finances). These monitoring policies were the recommendation of both the Finance Committee and the external audit. Does the Congregation feel these policies provide sufficient oversight or prefer that some oversight structure be mandated in the Bylaws?

b. Other committees?

Charge to the Finance Committee - Eno River UU Fellowship
July 15, 2008

The purpose of the Finance Committee is to provide financial oversight and advice to the Board of Trustees.

The Finance Committee will be comprised of two members of the congregation with professional financial expertise [CPA, MBA, etc] and a member of the Board of Trustees. Members of the committee will be chosen by the Board and will report only to the Board. The chair of the committee is to be selected by the Committee itself.

The Finance Committee shall perform the following functions:

- Review monthly financial reports for gross errors in form or content and report any such findings to the Board during its monthly meeting.
- Monitor trends in reported expenditures or income streams for substantial deviation from the budget or any other Board Policy regarding fiscal matters and report such to the Board.
- Be available for consultation to the annual external auditors.
- Answer questions the Board asks regarding interpretation of financial reports and of external audit reports.

The Finance Committee is not authorized to request financial reports directly from the Lead Minister or any staff member, nor to assign tasks to any staff member. Questions or requests from the Committee shall be directed to the Board.

Policy on Financial Monitoring Reports

Adopted by the Board of Trustees July 21, 2009

1) Monthly reports to the Board of Trustees must include:

Current balance sheet

*Two forms of an income and expense statement (I & E) with comparison to the calendarized budget or comparison with the I & E report for the same time period for the past 2 years as well as an explanation for significant variances from budget.

* 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

* 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

*Record of bank statement reconciliation including a list of outstanding checks to be given to the Board's Financial Advisory Committee for review

The balance sheet and I & E reports must 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.

2) The semi-annual protection of assets internal report must 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.

3) A monitoring trail that summarizes what was reviewed and what action, if any, was taken shall be prepared by the Treasurer or Board representative on the Financial Advisory Committee and kept on file at ERUUF with the monitoring reports.