First Unitarian Church of Portland
~ Board of Trustees Meeting - November 3, 2016 ~

AGENDA

Board Dinner
6:00 Arrive and dine
6:25 Informal Check-in
6:40 Deepening
6:55 Break

Board Meeting
7:00 Convene Meeting
Opening Words
Review Agenda - Randy
Announcements - All
Upcoming Dates - All
Approve previous meeting’s minutes

7:15 Open mic for congregants (2-3 minutes per congregant)

Updates
7:25 ET Update
7:35 Finance Committee Update
7:40 Communications Committee Update
7:45 Governance Committee Update

Consent Agenda
7:50 Accept updated Board Calendar

Action Items
7:55 Congregational Life Update - Tom
8:10 —Break—
8:15 Church Five Year Goals - prep for Congregational Forum (goals attached)
8:30 Policy Revisions - John - Clarifying q’s and sense of support
8:40 Executive Session on Personnel Matter

8:55 Communications Check
8:58 Process Observations
8:59 Closing Words
9:00 Adjourn

Meeting Roles:
✓ Process Observer - Alan
✓ Time Keeper - Maryann
✓ Opening Words – Andy
✓ Closing Words - Andy
OUR FIVE-YEAR GOALS ARE AS FOLLOWS:

• Focus on collaborative governance, revising policies for clarity and brevity and creating linkages between the Congregation, the Board, and the Executive Team.
• Increase church funding through enhanced giving, including goal to reduce or retire the Buchan Building mortgage.
• Make a cultural transition from program-focused church to mission-driven church, with priority on building beloved community between generations.
• Develop a long-term plan for development and sustainability of church campus given changing dynamics of West End and downtown Portland.

Vision Statement

First Unitarian Church is a beacon of hope for us and for our community, a spiritual center in the heart of our city that helps each of us to find our moral compass, calling and challenging us to build the beloved community with an ever deepening sense of spirit, diversity and inclusion.

First Unitarian Church of Portland
Board of Trustees
Board Minutes
October 6, 2016

Attending: Ameena Amdahl-Mason, Alan Comnes, Kathy Ludlow, Laura Milne, Andy Parker, Maryann Roulier, Randy Russell, Darin Stewart, John Thompson, Leila Wrathall, Evie Zaic,
Absent: Matt Swafford
Ministers and Staff: Rev. Bill Sinkford, Rev. Tom Disrud, T.J. FitzGerald (Intern Minister), Kathryn Estey
Guests: Catherine Thompson, Mark Woodlief

Moderator, Randy Russell convened the meeting at 7:15 p.m. Evie offered opening words, Forgiveness by Brandi Ann Uyemura

Agenda was reviewed.

Announcements:

• Board holiday party dates need to be determined.
• Celebration Sunday board greeters were invited to volunteer.
• Lots of board committee input is still needed to finalize the board calendar.
• Informal gathering with the Nom Com to be considered

Kathy moved and Leila seconded approval of September board meeting minutes. Motion carried.

Open mic for congregants (2-3 minutes per congregant)

• Catherine Thompson spoke about the screens in the main sanctuary; she believes they distort the music and they are not inviting. She would like to see a discussion with congregants on the matter.

Executive Team Update

• The Music Search Committee has an update in E-news regarding the search for the new music director. They are still receiving material, but are ahead of schedule. They have a good list of candidates and hope to have a list of finalists by January.
• AFD kickoff is October 16. ET thanks everyone for tabling.
• We are at election time and will not support candidates because of our non-profit status.
• On November 1 we will be expanding our shelter to include an overnight warming shelter in our Undercroft area. Our Youth Program will move to A-108. [Post-meeting note: the opening has been delayed until Portland Homeless Family Solutions’ Board meets to decide if they will manage the warming shelter.]
• Staff Program leaders Kate L, DeReau, Cathy C, and Katie R are now meeting weekly with the Exec. Team to discuss substantive issues. This broadens the discussion and input on important matters.
• Drug use and transactions around our buildings have been observed and caused concern here and by NWA. As a consequence the police are moving the homeless out of the area.

Finance Committee update provided by Darin Stewart:

• All reports are in the board packet.
• 15 people attended the most recent meeting.
• August was the second good month in a row. Pledge income was above budget.
• Auction funds will henceforth be included in the budget and the status of past auction funds will be reported.
• Quarterly congregant meetings: meeting after 1st service had low attendance; 2nd service was larger. The tone was very positive. Our UUA contribution was brought up at 1st meeting and congregational life initiative-support for young adults was brought up at the 2nd. Other items discussed included the need for more comfortable seating in the chapel and better accessibility to the chancel in main sanctuary.

Communications Committee update by Alan Comnes

• Reports are in the board agenda packet.
• Need input from committees for the board website.
• There is to be a congregants’ forum on November 13 focusing on church 5 year goals. Format will be a modified café conversations.
• Board member support is needed.
Governance Committee update by John Thompson

- Material is in the board packet.
- What kind of conversations do we want to have with the congregation? How?
- What does our governance look like?

Action Items

Response to Letter from Congregant regarding screens in the sanctuary

- ET has already responded to the letter.
- How can we improve communication with congregants about high impact changes?
- Many are still wrestling with the meaning of policy based governance.
- Congregants with vision issues are better able to read the screens
- The board can be a bridge between congregants and the ET.
- The screens are a high impact change and are a struggle for some congregants.
- The board needs to bring up issues it thinks are important.
- Board meeting time is limited. How it is allocated is important.
- The screens are now a part of our life. We need to find ways to improve their use.

Approval of the surplus funds allocation proposed by the ET in August, slightly edited to eliminate specific projects for which the funds might be used, was approved by the Finance Committee. Approval by the board was moved by Darin and seconded by Maryann. The motion carried unanimously.

At 8:35 the board went into executive session for the purpose of discussing a personnel matter.

The regular meeting resumed at 9:15 p.m.

Status report on the Congregational Life Initiative by Tom Disrud was postponed until the November meeting, due to the late hour.

Our Process Observer Ameena observed that board members interrupted reports, when the questions they posed would soon have been answered by allowing the presenter to continue. She also observed that significant time was used discussing a letter from a congregant and questioned whether it was an appropriate use of board time.

Closing Words were offered by Bill.

The meeting was adjourned at 9:20 p.m.

Submitted by Maryann Roulier, Secretary, Board of Trustees
Meeting was called to order at 4:00 p.m. by Kathy Ludlow (vice-moderator)

Present: Kathy Ludlow (1st vice moderator), Laura Milne (Board Member), Darin Stewart (Treasurer), Maryann Roulier (Secretary), Rev. Tom Disrud (Associate Minister)
Absent: Randy Russell (moderator), Ameena Amdahl-Mason (2nd vice moderator), Rev. Bill Sinkford (Senior Minister).

Opening Words were read by Kathy. Everyone provided a brief check-in.

- A quorum was established.
- Minutes of the September BOC meeting were approved.

Announcements and Updates:

Upcoming dates:

- 11/3 Board meeting
- 11/6 Celebration Sunday
- 11/13 Café Conversation (Veterans’ Day weekend)
  Meeting with Nominating Committee?
- 12/4 Congregational finance meeting
- 12/15 Board Holiday party
- 4/6/16 Sewell Lecture, Tom Andrews, UUSC
- 6/9-10/17 Board Retreat

ET Update:

Rev. Kate Lore leaves First Unitarian on October 31 for a new post with Volunteers of America. Agreement has been reached with her and was approved. Her “release of call” with us will take place at both services on 10/23. It is standard procedure for ministers leaving a church to remain away for 2 years and to “unfriend” church Facebook members. On advice of counsel, financials of Northwest Academy are being reviewed prior to renegotiating their lease. They need less space than initially anticipated.

Annual Fund Drive is moving along with 34 pledges, totaling $65,000 received to date. It was suggested that some quotes from the AFD steeples be projected onto the screens in the sanctuary. Plans for an overnight shelter through the winter are being reviewed by their board.

Discussions Items:

Foundation visit with Board:
The Board plans to meet with members of the Foundation board in early January, following discussion of church 5-year goals with congregants on 11/13 and a board discussion of monetary priorities at the December
meeting. Darin and Laura will prepare a status report on the endowment, to include administrative costs and earnings, for presentation at the January board meeting.

**November Board Agenda:**

**Consent Agenda:** Board calendar. Ameena will resend it, requesting input from committees.

**Action Agenda:**

- **Congregational Life Initiative:** presentation by Tom
- **Discussion of Church 5 Year Goals** as preparation for Café Conversations
- **Executive Session** on personnel matter

Darin will study the solar panel proposal to present to the Finance Committee in November along with the Maintenance Plan. He will present it to the board in December.

Meeting was adjourned at 5:40 p.m.

Submitted by Maryann Roulier, Secretary
Attending: Alan Comnes (Chair), Evie Zaic, Ameena Amdahl-Mason, Kathy Ludlow

We lit a candle, had a reading and a brief check-in.

**Correspondence**

Letters addressing the new projection screens in sanctuary. Although the Board recognizes that the ET is primarily responsible for the screens and their evolving use, the Board has a role in receiving feedback and having a dialog with ET on issues of importance to the congregation, like this one. Comm Comm decided to send short letters to all congregants that addressed letters to the Board (either as co-recipients or as a “cc”). Kathy Ludlow to draft. Signature to come from Board Moderator or Secretary.

Letter from Anne O’Neill re concerns about “downsizing” programs within the church. The Board and staff’s discussions about a mission driven church may lead to change in priorities but as of now, no programs are being proposed for elimination. Kathy L to reach out via phone and draft response if appropriate.

**October Moderator’s Letter**

We edited the October Moderator letter and Alan will make changes and send to Randy for ok. Goals is to post by the time this week’s e-News is published on October 27.

**Our Church’s 5 Year Goals - A Congregational Forum - November 13**

- Event is scheduled for Sunday November 13 from 12:45-2:30 p.m., in the Buchan Reception Hall.
- Latest agenda / proposed format is on Google docs, attached to these minutes or available via this [Link](#).
- Relationship to approved goals and November Board meeting. We do not want to convey to congregation that the Board’s adopted goals are fixed. November Board meeting should be a discussion; one that is to be further informed by congregant input at November forum.
- Marketing / outreach.
  - Promote in next 3 e-News and make sure that it is prominent in the “week before” (11/10) issue - Alan C.
  - Evie to get Erin to produce calling lists focusing on members in 20s, 30s, 40s, 50s. Enlist volunteers to call folks on these lists encourage attendance. Focus on folks that did not attend last spring’s cafe conversation (if that can be discerned).
To promote participation by parents of young children, offer childcare (ideally on an RSVP basis). Evie Z. to reach out to Winona and Alan C. to Cathy C-C.

- Reach out to all programmatic committee heads in church and ask them to encourage participation from church members active in their programs. Kathy L.

- Alan to request from Board via list serve and November in-person meeting for participation 3 ways: help with calling (see marketing, above), help with facilitiation at event, and to bring finger food.

Respectfully submitted,
Alan Comnes

Attachment: Congregation Forum Overview

Our Church’s Five-Year Goals: A Congregants Forum

November 13th 12:45 - 3:00

The Church’s Five-Year Goals:

- Focus on collaborative governance, revising policies for clarity and brevity and creating linkages between the Congregation, the Board, and the Executive Team.
- Increase church funding through enhanced giving, including goal to reduce or retire the Buchan Building mortgage.
- Make a cultural transition from program-focused church to mission-driven church, with priority on building beloved community between generations.
- Develop a long-term plan for development and sustainability of church campus given changing dynamics of West End and downtown Portland.

(Adopted by the Board at its regular meeting May 2016.)

Format and Marketing:

The fall Forum will be held Nov 13th from 12:45 to 2:30pm. The meeting is scheduled for the Buchan reception rooms.

The board will get congregants names from Erin T to invite 100 members by phone or email. We will also publicize this in both the e-news and bulletin for the larger congregation to be included. The communication committee will have a talking sheet that the board member can use either for phone calls or e-mail to 10 congregants.
General ground rules:

- Board member to facilitate each “goal group”
- Please use the phrase “Yes, and...” when each person shares their ideas to encourage further discussion.

Schedule for forum is as follows:

12:45 - 1:00 Meet and greet. The board will provide a light snack and this time will be an opportunity for people to talk to board members and each other. We would like 5 board members there to help facilitate the event.

1:00 - 1:10 Introductions, Presentation of the Goals, and overview of the day. The goals should be introduced by a Board member and the process leading up to their adoption. Each of the four goals will be written on separate sheets of paper and after the intro posted in a corner of the room.

**Question 1: What would reaching this goal look like to you?**

1:10-1:30 Session for people to put up ideas to first question on sheets posted on the wall. (People need to be quick—brainstorm!)

**Question 2: How do we get there?**

1:30 – 1:55 (needs to be at least 20 mins) People will then be invited to participate in a small group focusing on one of the 4 goals they feel most important to them and share their ideas of how to get there. Facilitating board member there will take notes.

1:55-2:00. Short break as groups reconvene as a whole.

2:00-2:20 Gathering and discussion. Bring everyone together so each group can share their ideas. (5 mins / goal.) Each group will share their ideas with the larger group. Each “goal group” can be represented by a participant from prior session or Board scribe.


Please let the sheet remain up so people can add further comments post close.
Governing Principles and Processes

• **Democratic Process and Transparency:** An important element of our mission is to use democratic processes and transparency in decision making. All meetings of the Board of Trustees and associated committees will be open to the congregation, unless legal requirements for confidentiality are present. After approval, minutes of all meetings will be readily available subject to requirements for confidentiality. Major decisions having substantial impact on how the church is run will be made in collaboration with the Board of Trustees and congregation, in keeping with our covenantal relationships with one another. When the significance of a decision is in doubt, the Board Officer’s Committee or full Board of Trustees should be consulted.

• **Covenantal Relationships and Collaboration:** Our relationships with one another are covenantal and collaborative. The relationships themselves are of major significance and are based on deep caring for each other, and are determined by mutual agreements on how we wish to be together. In **covenantal governance,** these agreements focus on how decisions are made, and what types of communication and support need to take place for them to be implemented effectively. The process employed is critical in maintaining the relationships.

• **Delegation of Management:** Delegation of management of the church is made to the Senior Minister and secondarily to an “Executive Team”. The final authority to make a decision rests with the Senior Minister or his or her designee.

• **Accountability:** The Board of Trustees, Ministers, staff, and congregation are all accountable to the mission of the church and to each other. As expressed in the vision and 5 and 1 year goals, progress will be assessed in formal executive team reports twice each church year, in monthly updates at each board meeting, and in specific discussions of the Board of Trustees and its committees.

• **Oversight:** After any change in the composition of the Executive Team, the ability of that group to manage the church will be assessed by the Board of Trustees, or by an outside consultant with the appropriate credentials to make such a determination. Ongoing oversight of the Board of Trustees and Executive Team will consist of:
  - bi-yearly executive team reports covering the elements of our mission and progress toward our 5 and 1 year goals,
  - yearly financial reviews or audits,
  - the Board of Trustees self review.

Every third year, in collaboration with the Executive Team, an outside review of church management, or if desired, some aspect of it, will be made.
PART 2. GOVERNANCE RELATIONSHIP AND DELEGATION OF MANAGEMENT TO THE EXECUTIVE TEAM

2.1 Covenantal Relationship. The Board recognizes that the Board and Senior Minister govern the church in a covenantal relationship in which the parties work together to advance the mission of the church. The covenantal relationship means that the Board and Senior Minister see themselves in a collaborative relationship that operates on assumptions of respect and trust, with each party having an important role toward advancing the church’s mission.

2.2 Formation of the Executive Team. As required by the Bylaws, the Board delegates the administration of the church to the Senior Minister who, after consultation with the Board, appoints an Executive Team to assist the Senior Minister in the church’s administration. It is critical to the concept of delegation that the Board reasonably believes that the Executive Team is competent to handle the responsibilities that are delegated to it. The Board shall evaluate the Executive Team at such time it is constituted and when it changes personnel to ensure competency to manage the church in the areas of finance, programming, employee and volunteer management, fundraising, risk management, and administration. If the Board has personnel with the type of business or nonprofit experience that would allow the Board to determine whether the Executive Team has such competency, then the Board can make the evaluation itself. If it does not have the personnel to make this determination, the Board, in consultation with the Senior Minister, will retain a consultant to coach the Board or to assist in the evaluation. If there are significant gaps in competency, the Board and Executive Team shall work together to address them.

2.3 Role of the Executive Team. The Executive Team shall manage the church by implementing Board policies to advance the mission of the church within the limitations set by Part 3. Except as limited in these Governing Policies, the Board delegates all authority for management of the church and accountability of staff to the Executive Team.

No individual trustee, officer or committee chair has authority over the Executive Team without Board authorization. Information may be requested by any individual trustee, officer, or committee, but if such request, in the Executive Team’s judgment, requires a material amount of staff time or funds, or is disruptive, the request may be refused with explanation.

2.4 Emergency Actions. In case of a time-critical emergency that requires action in violation of the Governing Policies and it is not possible or reasonable for the Executive Team to get the approval of the Board or Board Officers Committee, the Executive Team can act contrary to the Governing Policies. It shall inform the Board Moderator or another member of the Board Officers Committee, if the Moderator is not available, of its action as soon as possible.

2.5 Evaluation of Executive Team Performance. The Board shall oversee the management of the church to determine the progress being made toward the realization of the church’s mission and to ensure that Board policies are being observed.

2.5.1 Regular Oversight. The Board shall maintain oversight by means of:

- monthly financial reports as described in Part 3;
monthly reports from the Executive Team at Board meetings;
an annual Executive Team report covering the elements of the church’s mission and progress toward
the church’s five-year goals, followed by an in-depth discussion of the church’s progress toward its
mission and goals by the Board;
an annual review or audit of the church’s financial condition; and
every third year, in collaboration with the Executive Team, the Board shall engage an outside
consultant to review the management of the church or some aspect of it.

2.5.2 Special Oversight. The Board shall investigate all significant problems that come to the
Board’s attention and shall act appropriately to resolve them.

2.5.3 Addressing Issues. In the event the Board determines that there has been insufficient progress
towards meeting the church’s mission, or that a Board policy has been inappropriately violated in a matter
the Board deems significant, the Board and Executive Team will use all reasonable means consistent with the
covenantal relationship to resolve the issue. If an agreement cannot be reached, the Board has recourse to
the procedures relating to called ministers as specified in the church bylaws.

PART 3: MANAGEMENT LIMITATIONS

3.1 Purpose. The purpose of Part 3 of the Governing Policies is to describe the limitations on the scope of
management authority delegated to the Executive Team as it works to accomplish the mission of the church.

3.2 Management of Personnel. The Executive Team shall retain the proper personnel to administer the church.

3.2.1 Staff Retention and Compensation. The Executive Team is expected to hire, train, compensate
and terminate staff in a professional and respectful manner. The Executive Team shall compensate staff fairly
in keeping with the elements of our mission and the principles of our church.

Any minister employed by First Unitarian Church shall be permitted to take the maximum amount
legally allowable, up to the amount of 100% of the compensation of each minister, as a ministerial housing
allowance as described in 26 USC §107 of the Internal Revenue Code (or any corresponding future sections).
This policy shall continue to be in effect from year to year until it is revoked by the Board of Trustees.

3.2.2 Personnel Policies. The Executive Team shall develop and maintain written personnel policies that
clarify personnel rules for staff, that provide for effective handling of grievances and that acquaint staff with
their rights and obligations. Employees who have a grievance may bring their concerns to the Board Officers
Committee if all previous steps enumerated in the personnel policies fail to satisfy the grievance. The
personnel policies shall be provided to the staff, and reviewed periodically as recommended by competent
legal counsel. The Executive Team shall ensure that key employees file the Disclosure and Acknowledgment
form for the Conflicts of Interest and Executive Compensation policy (see Appendix).

3.2.3 Volunteers. Volunteers are an important resource for this church. Volunteers provide important
services and carry the message about our mission to the larger community. The Executive Team shall recruit,
train, supervise, appreciate and terminate volunteers in a professional and caring manner. The Executive Team
shall have written volunteer policies that clarify rules for volunteers, that provide for effective handling of
grievances and that acquaint volunteers with their rights and obligations.
3.2.4 **Staff and Volunteer Treatment.** The Executive Team shall ensure that all staff members and volunteers are treated with dignity and fairness and shall ensure a safe working environment for staff and volunteers.

3.2.5 **Resolution of Conflict between Congregants and Ministers or Congregants and Staff.** If a congregant has a conflict with a minister, the congregant should talk to that minister first. If this step is insufficient in resolving the conflict, the congregant should talk to a member of that minister’s Ministerial Relations Committee as outlined in Article VIII section 3 of the Bylaws. The Executive Team shall respond in a timely manner to conflict between congregants and staff or congregants and ministers in a manner that intends to resolve conflict with equanimity and with the awareness that longstanding and unaddressed conflicts work against the church’s mission. The Executive Team will develop means of conflict resolution in such instances. If the process used does not resolve the conflict, the Executive Team will announce a decision intended to resolve the conflict. If the congregant or staff member is not satisfied with the Executive Team decision, she or he may use the Complaint and Inquiry Process Involving Congregants and the Church in Part 5. The decision of the Complaint and Inquiry Committee shall be considered as a final resolution of the conflict.

3.3 **Financial Parameters.** The Executive Team shall ensure the financial viability of the church, shall exercise proper care in the handling of funds, and shall protect the assets of the church. The Executive Team shall raise adequate funds to fund church programs and operations that it budgets. In raising funds, the Executive Team shall develop and communicate to the Board a strategic plan to nurture the culture of generosity in the church. The Executive Team shall obtain Board approval for all decisions resulting in naming rooms or other naming opportunities.

3.3.1 **Financial Planning and Budgeting.** Financial planning for any fiscal year or the remaining part of any fiscal year shall comply with the church bylaws and the church mission, shall be fiscally sound and shall be derived from a multi-year financial outlook. The congregation has final authority to approve all annual budgets, as proposed by the Executive Team and adopted and recommended to the congregation by the Finance Committee and the Board. The Executive Team will provide for a contingency reserve of 2% of net revenues (Total Operating Income plus Net Investment Income) unless modified by the Board. Expenditures from the contingency shall require approval of the Board, or in the case of an emergency, approval of the board officer’s committee (BOC).

3.3.2 **Financial Condition and Activities.** With respect to the church’s ongoing financial condition and activities, the Executive Team shall operate using sound fiscal procedures and make actual expenditures based on Board priorities established in the church mission statement. To protect the church’s financial condition, the Executive Team shall make available to the Finance Committee and the Board monthly written reports concerning actual budget revenues and expenditures and appropriate comparisons and projections. Such financial reports will be available for Finance Committee and Board review approximately three weeks after each month end. The extent and format of the reports will be determined by the Finance Committee in consultation with the Director of Finance and Administration. The following guidelines shall govern the Executive Team:

- a. Annual Balanced Budget Date: Draft to Finance Committee one week prior to the February Committee Meeting; Final to Board March Board Meeting
- b. Cost of Governance: $10,000
c. Safety Reserve: $100,000

d. Allocation of Excess Maintenance Reserve by the Board: To be determined when excess occurs

e. Debt Guideline: Temporary excess spending must be covered by certain, otherwise unencumbered revenues. In no case shall temporary excess spending exceed 5% of the total operating fund budget, not including designated reserves.

f. Contract Award Limit: $10,000

g. Bid Limit: $10,000

h. Indebtedness: Indebt the church in an amount no greater than what can be repaid by definitely available and otherwise unencumbered revenues.

3.3.3 Asset Protection. The Executive Team shall ensure that the church’s financial and physical assets are protected, adequately maintained and not unnecessarily put at risk. To protect the church’s assets, the Executive Team shall:

a. Protect the church’s nonprofit and tax-exempt status.

b. Utilize reasonable financial controls sufficient to meet generally accepted standards to receive, process and disburse funds. These standards shall include complying with all reasonable standards recommended by the church’s outside audit firm, requiring two signatures on all checks over $2,000, including one Board Officer’s signature on checks over $6,000, and 2 Board Officers’ signatures on all checks over $10,000.

c. Furnish quarterly reports to the Board and the Finance Committee regarding the church’s investments.

d. Require reconciliation of the operating accounts monthly.

e. Create a rolling church maintenance plan which estimates the time and cost of adequate routine maintenance of all church-owned property, including both buildings and equipment. This plan will include major maintenance and equipment items (normally with a minimum cost of $10,000) such as, but not limited to, roofs, HVAC systems, elevators, computer hardware and software, repainting and re-carpeting. The plan will include an annual schedule and the annual and total cost of this work. The Plan will be updated annually by the Executive Team and reviewed by the Finance Committee and Board.

f. Adhere to the church’s Investment Policies (see Appendix for the investment policy).

3.3.4 Execution of Contracts. No one other than the Executive Team or its express designees shall execute any contract on behalf of the Church. In entering into contracts on behalf of the church, the Executive Team shall:

a. Not execute any contract or any check in an amount greater than the ‘Contract Limit’ amount (see Executive Team Financial Guidelines in the Appendices) prior to obtaining Finance Committee approval, unless the expense for which the contract or check executed is included in the operating budget or in a detailed funds budget or is a contract or expenditure previously approved by the Finance Committee. The Finance Committee shall report any such approvals to the Board.

b. Make a single purchase or commitment (other than for professional services) greater than the “Bid Limit” amount (see the Executive Team Financial Guidelines in the Appendices) specified by the Board annually only after obtaining and considering at least three bids or offers, unless under the circumstances would be manifestly unreasonable to obtain and consider multiple bids or offers.

c. Seek legal advice, when necessary, to interpret and assess contractual terms.
d. Arrange for legal review of any agreement under which the church plans to participate in a joint venture with another organization that is not exempt under §501(c)(3) to ensure that the agreement does not violate the church’s §501(c)(3) status and report such agreement to the Board.

3.4 Records. The Executive Team shall ensure that the church is transparent in its operations and maintains records as required by good business practices and by law.

3.4.1 Transparency. The Executive Team shall promote transparency by posting the church’s documents of general interest to members or the public on the church’s website and by complying with IRS rules.

3.4.2 Document Retention and Destruction. In order to ensure that records are retained as appropriate and as required by law and that unlawful destruction of documents does not occur, the Executive Team shall adopt and follow a Document Retention and Destruction policy. At a minimum, the policy shall provide for the following:

a. No officer, trustee, employee, or volunteer of this church shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or any state or its subdivisions.

b. Disciplinary action for any employee found to have knowingly violated this policy.

c. A schedule establishing the time period for which the organization’s documents, including emails and electronic documents, shall be retained and a process for the destruction of documents after the expiration of that time period. The electronic retention policy shall determine what files need to be kept and shall include backup procedures, archiving of documents, and regular check-ups of the reliability of the system.

d. Archiving of documents important to the history of the church.

3.5 Board Input on Major Issues. Where practicable, the Executive Team shall bring any issues that could significantly impact the church and any decisions that involve significant and undiscussed value-based decisions to the attention of the board—for example, potential lawsuits against the church, serious union problems, adverse financial occurrences, major program or personnel changes, major values’ assumptions and choices built into financial budgeting, and any serious variations from board policies. The board shall provide input to the Executive Team and will to determine, in consultation with the Senior Minister, whether and how to get member/congregant input on the issue.

3.6 Communication with and Support to the Board. The Executive Team shall ensure that the Board is informed and supported in its work. The Executive Team shall:

a. Submit evaluation data required by the Board in a timely, accurate, complete and understandable fashion, directly addressing provisions of the Governing Policies being evaluated.

b. Keep the Board informed of all matters related to carrying out Board policies and monitoring duties, including relevant trends, anticipated adverse media coverage, public policy initiatives,
public events of the church and material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.

3.7 Support of Church Leaders. The Executive Team shall cultivate and nurture congregant leaders who serve and inspire the church community.

Blue = Areas the Governance Committee has made recent change
Green = Areas the Governance Committee and Finance Committee are suggesting
Black = Areas that are unchanged

GOVERNING POLICIES
FOR
FIRST UNITARIAN CHURCH OF PORTLAND, OREGON

TABLE OF CONTENTS

Part 1: Organizational Mission and Values 4

1.1 Mission 4
1.2 Values 4

Part 2: Delegation of Management to the Executive Team 4

2.1 Role of the Executive Team 4
2.2 Delegation by Board Governing Policies 5
2.3 Evaluation of Executive Team Performance 5

Part 3: Management Limitations 6

3.1 Purpose 6
3.2 Management of Personnel 6
3.3 Financial Parameters 8
3.4 Records 13
3.5 Communication with and Support to the Board 14
3.6 Support of Church Leaders 15

Part 4: Board Structure and Processes 15

4.1 Governing Style 15
4.2 Board Job Description 15
4.3 Standards of Performance for Duties of Trustees 17
4.4 Moderator’s Role 17
4.5 First Vice Moderator’s Role 17
4.6 Second Vice Moderator’s Role 17
4.7 Secretary’s Role 17
4.8 Treasurer’s Role 18
4.9 Board Meetings 18
4.10 Committees 18
4.11 Board Internal Communications 21
4.12 Conflict Resolution Process Involving Board Members and Ministers 21
4.13 Board Calendar 22

Part 5: Members and Friends 22

5.1 Purpose 22
5.2 Communication 22
5.3 Minimum Pledge for Voting Members 22
5.4 Conflict Resolution Process Involving Congregants and Board Members 23
5.5 Complaint and Inquiry Process Involving Congregant and Church 23
5.6 Safe Church Policy 24
PART 1. ORGANIZATIONAL MISSION AND VALUES

1.1 Mission. The mission of First Unitarian Church of Portland, Oregon is to create a welcoming community of diverse individuals; to promote love, reason and freedom in religion; to foster lifelong spiritual growth; and to act for social justice. To realize this mission, First Unitarian Church:

- Is a welcoming and loving community that provides a safe haven where a diverse people of various ages and cultures may gather to build nurturing relationships.
- Offers lifespan religious education consistent with Unitarian Universalist values, and provides a forum for exploring diverse points of view.
- Provides worship that is inspiring and affirming, as well as a variety of experiences that invite congregants to deepen their spiritual lives.
- Uses transparent democratic processes that maintain shared governance and ensure that all voices are heard and respected, and that clearly define the roles and responsibilities of congregants, the Board, staff, and ministers.
• Cultivates and nurtures leaders who serve and inspire the church community.
• Is a sustainable church community in which congregants, Board, staff and ministers share stewardship of both our tangible and our human resources.
• Takes a leadership role in the larger Unitarian Universalist movement, maintaining connections with other Unitarian Universalist congregations and institutions as well as the local interfaith community.
• Witnesses as a voice of conscience in our community and beyond, collaborating with other justice-seeking institutions, encouraging congregants to join others in building a more equitable, sustainable, and peaceful future for all.

1.2 Values. The values that guide what we do are the principles of the Unitarian Universalist Association.

PART 2. DELEGATION OF MANAGEMENT TO THE EXECUTIVE TEAM

2.1 Role of the Executive Team. The Executive Team shall manage the church by implementing Board policies to advance the mission of the church within the limitations set by Part 3. Except as limited in these Governing Policies, the Board delegates all authority for management of the church and accountability of staff to the Executive Team.

No individual trustee, officer or committee chair has authority over the Executive Team without Board authorization. Information may be requested by any individual trustee, officer, or committee, but if such request, in the Executive Team’s judgment, requires a material amount of staff time or funds, or is disruptive, the request may be refused with explanation. The Board may change its policies, thus shifting the boundary between Board and Executive Team domains.

2.2 Delegation by Board Governing Policies. The Board will instruct the Executive Team through written policies that have been developed systematically from the broadest, most general level to more defined levels. The Executive Team is authorized to establish policies, make decisions, take actions, establish practices and develop activities as long as they use reasonable interpretations of the church’s mission above and Management Limitations policies.

In case of a time-critical emergency that requires action in violation of the Governing Policies and it is not possible or reasonable for the Executive Team to get the approval of the Board or Board Officers Committee, the Executive Team can act contrary to the Governing Policies. It shall inform the Board Moderator or another member of the Board Officers Committee, if the Moderator is not available, of its action as soon as possible.

2.3 Evaluation of Executive Team Performance. The Board shall oversee the management of the church to determine the progress being made toward the realization of the church’s mission and to ensure that Board policies are being observed. Systematic and rigorous evaluation of Executive Team performance will be solely related to the expected Executive Team outcomes—that is, accomplishment of the church’s mission and organizational operation within the boundaries established in Board Management Limitations and other
policies. Evaluation will be performed to determine the degree to which Governing Policies are being met. Information that does not help to determine this will not be considered.

2.3.1 Methods of Evaluation. The Board will acquire evaluation information by one or more of three methods:

a. By internal report, in which the Executive Team provides information to the Board.
b. By external report, in which an external, disinterested third party selected by the Board assesses compliance with policies.
c. By direct Board inspection of information, documents, activities, or circumstances, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
d. In every case the standard for compliance shall be any reasonable Executive Team interpretation of the policy being evaluated.

2.3.2 Frequency of Evaluation. The Board will evaluate compliance with all policies that instruct the Executive Team at a frequency and by a method mutually agreed upon by the Board and the Executive Team. The ongoing evaluation schedule is in the Policy Evaluation Schedule and the Financial Monitoring Policies in the Appendices. The Board shall obtain an evaluation of the administration of the church from an outside consultant familiar with church operations every third year.

2.3.3 Addressing Issues. In the event the Board determines that there has been insufficient progress towards meeting the church mission, or that a Board policy has been inappropriately violated in a matter the Board deems significant, the Board and Executive Team will use all reasonable means consistent with the covenantal relationship to resolve the issue. If an agreement cannot be reached, the Board has recourse to the procedures relating to called ministers as specified in the church bylaws.

PART 3. MANAGEMENT LIMITATIONS

3.1 Purpose. The purpose of the limitations placed on management is to guide the Executive Team and the staff as they accomplish the church’s mission. The Board expects that the Executive Team will do nothing that is illegal, unethical or imprudent, that can cause serious damage to the church, or that is in violation of Unitarian Universalist principles or the church’s bylaws or mission statement. Beyond these general parameters, the Board has established the additional parameters in this Part.

3.2 Management of Personnel. The Executive Team shall retain the proper personnel to administer the church.

3.2.1 Staff Retention and Compensation. The Executive Team is expected to hire, train, compensate and terminate staff in a professional and respectful manner. The Executive Team shall compensate full-time
staff at a rate at least equal to the current Portland living wage and basic benefits. Compensation shall not exceed market rates. The Executive Team may only create obligations to staff over a term for which revenues can be safely projected and such obligations shall be within the church’s ability to pay, given current budget constraints. The Executive Team shall not promise or imply permanent or guaranteed employment. The Executive Team may not establish deferred or long-term compensation and benefits, including those that cause unfunded liabilities to occur or in any way commit First Unitarian Church to benefits that result in unpredictable future costs. The Executive Team cannot allow any employee to lose benefits already accrued from any foregoing plan.

The Executive Team shall not change any employee’s compensation, benefits or allocated professional expenses established by the Board. Any minister employed by First Unitarian Church shall be permitted to take the maximum amount legally allowable, up to the amount of 100% of the compensation of each minister, as a ministerial housing allowance as described in 26 USC §107 of the Internal Revenue Code (or any corresponding future sections). This policy shall continue to be in effect from year to year until it is revoked by the Board of Trustees.

3.2.2 Personnel Policies. The Executive Team shall develop and maintain written personnel policies that clarify personnel rules for staff, that provide for effective handling of grievances and that acquaint staff with their rights and obligations. Employees who have a grievance may bring their concerns to the Board Officers Committee if all previous steps enumerated in the personnel policies fail to satisfy the grievance. The personnel policies shall be provided to the staff and reviewed periodically as recommended by competent legal counsel. The Executive Team shall ensure that key employees file the Disclosure and Acknowledgment form for the Conflicts of Interest and Executive Compensation policy (see Appendix).

3.2.3 Volunteers. Volunteers are an important resource for this church. Volunteers provide important services and carry the message about our mission to the larger community. The Executive Team shall recruit, train, supervise, appreciate and terminate volunteers in a professional and caring manner. The Executive Team shall have written volunteer policies that clarify rules for volunteers, that provide for effective handling of grievances and that acquaint volunteers with their rights and obligations.

3.2.4 Staff and Volunteer Treatment. The Executive Team shall ensure that all staff members and volunteers are treated with dignity and fairness and shall ensure a safe working environment for staff and volunteers. The Executive Team shall not unlawfully discriminate or allow unlawful discrimination against staff, job applicants or volunteers.

3.2.5 Reports of Wrongdoing. The church seeks to conduct all of its activities in a responsible, legal and ethical manner. All officers, trustees, ministers, staff and volunteers of this church must practice integrity and honesty in fulfilling their responsibilities and must comply with all applicable laws and regulations. In order to provide a mechanism to report irresponsible, illegal or unethical behavior, the Board adopted a Whistleblower Policy. (See Appendix.) The Executive Team shall ensure that staff is informed of the Whistleblower policy and that the Whistleblower policy is observed.
3.2.6 Treatment of Members and Friends. With respect to interactions with members and friends of the church, hereinafter referred to as congregants, the Executive Team shall treat congregants with respect, shall maintain confidentiality where appropriate and shall protect the privacy of congregants. The Executive Team shall inform congregants of this Treatment of Members and Friends policy and shall provide and acquaint congregants with a grievance process to be used by those who believe they have not been reasonably accorded their rights under this policy.

3.2.7 Resolution of Conflict between Congregants and Ministers or Congregants and Staff. If a congregant has a conflict with a minister, the congregant should talk to a member of that minister’s Ministerial Relations Committee. The Executive Team shall respond in a timely manner to conflict between congregants and staff or congregants and ministers in a manner that intends to resolve conflict with equanimity and with the awareness that longstanding and unaddressed conflicts work against the church’s mission.

a. The Executive Team will develop means of conflict resolution in such instances which:
   1) Do not require excessive amounts of ministerial, congregant and staff time and other institutional resources;
   2) Are as complex or simple as the situation indicates;
   3) Are consistent with the Governing Policies, the church’s mission, and the congregational covenant;
   4) Treat both congregants and staff as valued and respected;
   5) Use resolution resources (such as trained mediators) within the congregation and from denominational or community sources as the need indicates.

b. If the processes in a. (1) to (5) do not resolve the conflict, the Executive Team will announce a decision intended to resolve the conflict.

c. If the congregant or staff member is not satisfied with the Executive Team decision, she or he may use the Complaint and Inquiry Process Involving Congregants and the Church in Part 5. The decision of the Complaint and Inquiry Committee shall be considered as a final resolution of the conflict.

3.3 Financial Parameters. The Executive Team shall ensure the financial viability of the church, shall exercise proper care in the handling of funds, and shall protect the assets of the church.

3.3.1 Encouragement of Generosity. The Executive Team shall raise adequate funds to fund church programs and operations that it budgets. The Board and Executive Team recognize that financial giving is an aspect of generosity and that generosity is a spiritual value of the church. In raising funds, the Executive Team shall develop and communicate to the Board a strategic plan to nurture the culture of generosity in the church that includes at least the following elements:

a. Inspiration to the congregation about the spiritual meaning of generosity in all of its aspects.

b. Messages to the congregation about generosity that are consistent, make sense, and speak to the congregation.
c. Provision of a suggested giving guide to all members that provides descriptive categories of giving based on the members’ commitment to the church.
d. Year-round communication to congregants and pledgers about how their financial and other gifts are used to realize the values of the church.
e. Appreciations of donors.
f. Inclusion of the above elements in the annual fund drives and other fundraising campaigns conducted by the church.

The Executive Team shall obtain Board approval for all decisions resulting in naming rooms or other naming opportunities.

3.3.2 Financial Planning and Budgeting. Financial planning for any fiscal year or the remaining part of any fiscal year shall comply with the church bylaws and the church mission, shall be fiscally sound and shall be derived from a multi-year financial outlook. The congregation has final authority to approve all annual budgets, as proposed by the Executive Team and adopted and recommended to the congregation by the Finance Committee and the Board. In its budgeting, the Executive Team shall:

a. Propose a balanced budget. (See Financial Monitoring Policies in the Appendices for budget timelines.)
b. Ensure that the congregation has the means by which it can provide meaningful and timely input during the yearly budget development process.
c. Use restricted funds in ways that are consistent with restrictions placed on these funds by the donors, the Board, or the congregation.
d. Develop a budget that contains sufficient information to enable a reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow analysis and disclosure of multi-year planning assumptions.
e. Prepare a budget that:
   1) Estimates revenues and expenditures using the most reasonable numbers available.
   2) Cures any projected deficit in the current year in next year’s budget.
f. Ensure that the budget:
   1) Is based on the multi-year financial outlook, which shall be updated yearly and is consistent with these policies.
   2) Includes necessary expenditures identified in the church’s maintenance plan.
   3) Provides for adequate Board expenditures during the year.
   4) Provides for the church’s full fair-share payment of denominational dues (U.U.A. and P.N.W.D.).
   5) Ensures that cash or cash equivalents do not drop below a safety reserve (see the Executive Team Financial Guidelines in the Appendices) as determined by the Board. The Safety Reserve may serve as a “safety valve” after other reserves have been tapped, or for cash flow remediation, or for other emergency purposes approved by the Board or Trustees.
   6) Provides for a contingency reserve of 2% of net revenues (Total Operating Income plus Net Investment Income) unless modified by the Board. Expenditures from the contingency shall require approval of the Board or the Board Officers Committee (BOC).
7) Funds a sabbatical reserve up to $4000, which may be used to bring guest ministers to the pulpit, as needed, during the sabbatical leaves of called ministers.

g. Provide for a major repairs and equipment (MR&E) reserve:
   1) Which will be used to fund one-time, emergency or unanticipated major maintenance expenditures that cannot be covered by the required major and routine maintenance allocations in the yearly operating budget.
   2) Whose funding goal is $150,000, which will be increased by allocating to it, as appropriate, the following:
      i. Any unused portion of the major maintenance allocation in the yearly operating budget.
      ii. Any unused portion of the contingency reserve in the yearly operating budget as determined by the Board each year.
      iii. Gifts and bequests designated for facilities maintenance;
      iv. A budgeted amount to be transferred monthly from the operating budget;
      v. Other available monies such as revenues that are not reliably ongoing.
   3) Which is returned to the $150,000 level in subsequent years if it has been drawn down as allowed above;
   4) Whose excess funding above $150,000 will be allocated by action of the Board.

h. Present when necessary a multi-year plan for capital expenditures and the means to pay for them. Capital expenditures are: a) all repayments of debt over $25,000 and b) building or equipment expenditures which cannot be paid from operating budget or major repairs and equipment reserve monies.

i. Provide for interfund transfers from special funds to the Operating Fund to offset direct costs incurred by the Operating Fund in support of the other fund(s).

3.3.3 Financial Condition and Activities. With respect to the church’s ongoing financial condition and activities, the Executive Team shall operate using sound fiscal procedures and make actual expenditures based on Board priorities established in the church mission statement. To protect the church’s financial condition, the Executive Team shall:

a. Expend only funds than have been received in the fiscal year to date unless the Short-Term Debt Guideline (see the Executive Team Financial Guidelines in the Appendices) is met, or the Finance Committee approves use of safety reserve monies or other exceptions to the Guideline.

b. Accept gifts with restrictions that comply with the standards of the church’s Mission and the Unitarian Universalist principles and that are fiscally reasonable to accept. Upon approval of a restricted gift, the Executive Team shall ensure that there is a written acceptance of gifts over $5,000 with a clear statement of the restrictions and that the written acceptance is preserved in the permanent corporate records.

c. Expend or invest any funds restricted by the donor, the Board or the congregation in a manner consistent with the restriction.

d. Indebt the church in an amount no greater than what can be repaid by definitely available and otherwise unencumbered revenues.

e. Borrow from a restricted fund only if the terms of 3.3.3.d. are met and:
      i. The church has the ability to repay the loan in a timely manner so that the use of the restricted fund is not compromised;
ii. The loan is made on terms that make the loan a reasonable investment by the church. At a minimum, this means that the loan is made at an interest rate that exceeds the interest that the fund would have earned as it would been invested if not for the loan to the church; and

iii. The Executive Team obtains approval for the loan from the Finance Committee or from the Board prior to borrowing or, if prior approval is not reasonable, reports the loan to the Finance Committee or the Board as soon as possible after the loan is made.

f. Use any amount of any designated long-term reserve within the limits listed in the Executive Team Financial Guidelines in the Appendices unless the Board approves the use of additional reserves.

g. Conduct interfund shifting only in amounts that can be restored by use of definitely available and otherwise unencumbered revenues.

h. Settle payroll and debts in a timely manner.

i. Make tax payments or other government-ordered payments or filings as due and with accurate filings.

j. Make only material expenditures provided for in either the approved capital expenditure plan or the approved operational budget.

k. Purchase, encumber or dispose of real property only with advance authorization from the Board and the congregation when required in the Bylaws.

l. Pursue unpaid pledges and unpaid non-pledge receivables within a reasonable time.

m. Authorize a line of credit only with the approval of the Board.

n. Ensure that actual allocations do not deviate materially from Board priorities and Ends policies.

o. Observe the First Unitarian Foundation Gift Acceptance Policy in the Appendices.

p. Make available to the Finance Committee and the Board monthly written reports concerning actual budget revenues and expenditures and appropriate comparisons and projections.

1) Such financial reports will be available for Finance Committee and Board review approximately three weeks after each month end.

2) The extent and format of the reports will be determined by the Finance Committee in consultation with the Director of Finance and Administration.

3.3.4 Asset Protection. The Executive Team shall ensure that the church’s financial and physical assets are protected, adequately maintained and not unnecessarily risked. To protect the church’s assets, the Executive Team shall:

a. Protect the church’s nonprofit and tax-exempt status.

b. Cooperate with and provide reasonable assistance to the church’s external financial auditors.

c. Insure buildings and other physical assets against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.

d. Not unreasonably expose the organization, its Board or staff to claims of liability; and insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Oregon non-profit organizations.

e. Utilize reasonable financial controls sufficient to meet generally accepted standards to receive, process and disburse funds. These standards shall include, at a minimum, the following:
1) Complying with all reasonable standards recommended by the church’s outside audit firm.
2) Requiring two signatures on all checks over $2,000; 2 signatures (including one Board Officer’s signature) on checks over $6,000; and 2 Board Officers’ signatures on all checks over $10,000.
3) Limiting access to operating and investment accounts by not allowing paid staff or volunteers access to material amounts ($1,000 or over) of funds without prior training and without having established fiscal controls.
4) Insuring that normally prudent action has been taken against conflict(s) of interest.
5) Furnishing regular reports (in no event less than quarterly) to the Board and the Finance Committee regarding the church’s investments.
6) Requiring reconciliation of the operating accounts monthly.

f. Create a rolling church maintenance plan which estimates the time and cost of adequate routine maintenance; repairing and/or replacement of all church-owned property, including both buildings and equipment. This plan will include major maintenance and equipment items (normally with a minimum cost of $10,000) such as, but not limited to, roofs, HVAC systems, elevators, computer hardware and software, repainting and recarpeting. The plan will include an annual schedule and the annual and total cost of this work. The Plan will be updated annually by the Executive Team and reviewed by the Finance Committee and Board. Put procedures in place which allow expenditures over $10,000 only after the following requirements have been met:
   1) Authorizing check signature(s) as specified above.
   2) A method of assuring the balance of long-term quality and cost.
   3) For the purchase of equipment or supplies, evaluation of at least 3 competitive bids or quotes (except when this requirement is documented to be unnecessary).
   4) For an initial contract for professional services or other special projects, evaluation of at least 3 competitive bids.
   5) For subsequent contracts for professional services, (1) documentation that a continuing relationship with the same provider is in the best interests of the church (example — continued use of the same architect) or (2) if (1) is not appropriate, evaluation of competitive bids.

g. Protect intellectual property, information and files from loss, significant damage or breach of confidentiality or privacy.

h. Adhere to the church’s Investment Policies (see Appendix for the current investment policy).

3.3.5 Execution of Contracts. No one other than the Executive Team or its express designees shall execute any contract on behalf of the Church. In entering into contracts on behalf of the church, the Executive Team shall:

a. Not execute any contract or any check in an amount greater than the ‘Contract Limit’ amount (see Executive Team Financial Guidelines in the Appendices) prior to obtaining Finance Committee approval, unless the expense for which the contract or check executed is included in the operating budget or in a detailed funds budget or is a contract or expenditure previously approved by the Finance Committee. The Finance Committee shall report any such approvals to the Board.
b. Make a single purchase or commitment (other than for professional services) greater than the “Bid Limit” amount (see the Executive Team Financial Guidelines in the Appendices) specified by the Board annually only after obtaining and considering at least three bids or offers, unless under the circumstances would be manifestly unreasonable to obtain and consider multiple bids or offers.

c. Seek legal advice, when necessary, to interpret and assess contractual terms.

d. Arrange for legal review of any agreement under which the church plans to participate in a joint venture with another organization that is not exempt under §501(c)(3) to ensure that the agreement does not violate the church’s §501(c)(3) status and report such agreement to the Board.

3.4 Records. The Executive Team shall ensure that the church is transparent in its operations and maintains records as required by good business practices and by law.

3.4.1 Transparency. The Executive Team shall promote transparency by posting the church’s documents of general interest to members or the public on the church’s website and by complying with IRS rules on transparency.

3.4.2 Document Retention and Destruction. In order to ensure that records are retained as appropriate and as required by law and that unlawful destruction of documents does not occur, the Executive Team shall adopt and follow a Document Retention and Destruction policy. At a minimum, the policy shall provide for the following:

a. No officer, trustee, employee, or volunteer of this church shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or any state or its subdivisions.

b. Disciplinary action for any employee found to have knowingly violated this policy.

c. A schedule establishing the time period for which the organization’s documents, including emails and electronic documents, shall be retained and a process for the destruction of documents after the expiration of that time period. The electronic retention policy shall determine what files need to be kept and shall include backup procedures, archiving of documents, and regular check-ups of the reliability of the system.

d. Archiving of documents important to the history of the church.

3.5 Communication with and Support to the Board. The Executive Team shall ensure that the Board is informed and supported in its work. The Executive Team shall:

a. Submit evaluation data required by the Board in a timely, accurate, complete and understandable fashion, directly addressing provisions of the Governing Policies being evaluated.

b. Keep the Board informed of all matters related to carrying out Board policies and monitoring duties, including relevant trends, anticipated adverse media coverage, public policy initiatives,
public events of the church and material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.

c. Advise the Board if, in the Executive Team’s opinion, the Board is not in compliance with its own policies on governance process and Board-Executive Team relationship, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and the Executive Team.

d. Provide to the Board as many staff and external points of view and options as needed for fully informed Board actions.

e. Provide a process for official Board, officer or committee communications.

f. Deal with the Board as a whole except when fulfilling individual requests for information, or responding to officers or committees duly charged by the Board.

g. Report in a timely manner an actual or anticipated non-compliance with any policy of the Board.

h. Supply for the consent agenda all items delegated to the Executive Team, yet required by law or contract to be Board-approved.

i. Recommend changes in Governing Policies, the need for which become known.

3.6 Support of Church Leaders. The Executive Team shall cultivate and nurture congregant leaders who serve and inspire the church community.

PART 4. BOARD STRUCTURE AND PROCESSES

The bylaws should be consulted for requirements about Board processes in governance. Provisions in the bylaws supersede any contrary provisions in these Governing Policies. The policies below supplement the provisions in the bylaws.

4.1 Governing Style. The Board will govern with an emphasis on vision; strategic leadership more than administrative or programmatic detail; oversight of the organization’s affairs; clear distinction between Board and administrative roles; open communication and information; encouragement of diversity in viewpoints, and collective rather than individual decisions.

4.2 Board Job Description. The job of the Board is to work in collaboration with the Executive Team and through two-way communication with the congregation to lead the church to realize its mission. To perform its job, the Board shall:

a. Honor the board Covenant of Leadership, attached as Appendix (added 6.24.10).

b. Discern the major church goals for the next five years, in collaboration with the Executive Team, and hold the Executive Team responsible for developing a strategic plan based on these goals.

c. Determine the parameters within which the Executive Team is expected to achieve the goals.
d. Monitor the performance of the church relative to the achievement of the goals within the Executive Team parameters.

e. Evaluate the ministry of the church annually as required by the bylaws.

f. Set and realize annual Board goals related to fulfilling the Board’s role in advancing the church’s mission.

g. Ensure financial solvency and compliance with the law and good practices.

h. Provide on an ongoing basis a variety of forums for exchanging information with the congregation.

i. Speak with one voice to support Board decisions after subjects have been discussed and decided. Trustees’ interactions with public, press or other entities must recognize the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions. The Moderator has the authority to speak to the press in the event that the Board needs to communicate more than its Board decisions.

j. Act as required in compliance with the Governing Policies.

k. Fulfill special responsibilities to encourage generosity by the congregation by:

1) Acting as leaders in generosity by pledging very generously within the trustee’s means.

2) Participating in the annual fund drive and other fundraising campaigns in some capacity—as advocates, as advocate supporters, as callers thanking donors, etc.—under the direction of the Executive Team.

3) Ensuring that potential Board candidates are aware of this policy about the Board’s role in generosity.

4) Communicating with potential members and other congregants about the meaning and importance of generosity.

5) Cooperating in other ways as requested by the Executive Team to nurture the culture of generosity in the church.

l. Arrange for periodic reviews of the church’s Articles, bylaws, policies, minutes and governance practices to ensure that the Board is properly governing the church.

m. Provide potential trustees with adequate briefings on the role and expectations of Board service and provide new trustees with a comprehensive orientation and training. All new Board members shall be provided with a copy of the Articles of Incorporation, bylaws and Governing Policies.

n. Provide trustees with trainings and resources adequate to perform their duties.

4.3 Standards of Performance for Duties of Trustees. The Board expects that its trustees will act responsibly and ethically in managing the church. To do this, trustees must act with due care and with loyalty to the church.
4.3.1 *Duty of Due Care.* Trustees should act with due care in carrying out their responsibilities and in making Board decisions. Trustees shall be attentive to the church by attending meetings and preparing themselves as necessary to make informed decisions. Trustees will maintain confidentiality appropriate to issues of a sensitive nature.

4.3.2 *Duty of Loyalty.* Trustees have a duty to be loyal to the church—that is, to place the church’s interests above their own or those of their family or business in any transaction in which the two may come into conflict. A Trustee must disclose the existence of any conflict of interest to the Board. The Board must then follow the Conflicts of Interest and Executive Compensation Policy (see Appendix). Each year each Trustee shall sign a Disclosure and Acknowledgment form similar to the one in the Conflicts of Interest Policy (see Appendix) and file it with the Secretary of the church.

4.4. *Moderator’s Role.* The Moderator’s primary role is to manage the Board. The Moderator ensures that the Board follows its rules. The Moderator chairs the Board meetings, retreats, and Board Officers Committee and sits on all Board committees. The Moderator occasionally represents the Board to outside parties. The Moderator is expected to maintain close contact with and work collaboratively with the Executive Team but does not supervise or direct the Executive Team. The Moderator may delegate the authority described in this policy but remains accountable for its use.

4.5 *First Vice Moderator’s Role* The First Vice Moderator acts in the place of the Moderator whenever required due to absence or inability to perform the functions outlined above. The First Vice Moderator shall also perform, or cause to be performed, the following duties:

a. communication with the Board of Stewards of the church Foundation regarding issues related to the annual membership meeting and election of the Board of Stewards of the Foundation; and
b. updating the website with a list of Board Committee chairs as needed.

4.6 *Second Vice Moderator’s Role.* The Second Vice Moderator leads the orientation of new Board members, assigns a buddy for their first year, and handles the exit interview process when a member leaves the Board. The Second Vice Moderator also works with the Moderator and other Board members to ensure periodic training and development for Board members.

4.7 *Secretary’s Role.* The Secretary has overall responsibility for all Board recordkeeping. The Secretary shall perform, or cause to be performed, the following duties:

a. official recording of the written consent actions and minutes of all proceedings of the Board of Trustees meetings actions, of all actions and proceedings of any committee that exercises Board authority, of Board retreats, and of membership meetings;
b. provision for notice of all special meetings of the Board of Trustees;
c. ensuring that the agenda and accompanying background materials, reports and previous minutes shall be sent to all trustees prior to each regular or special Board meeting;
d. provision for notice to members of the annual meeting of the members and ensuring that voting is properly carried out at that meeting;
e. provision for notice of any special meetings of the members and ensuring that voting is properly carried out at that meeting; and
f. provision for voting by mail (written ballot) in lieu of the annual or special meeting of the members and ensuring that the vote is properly carried out;
g. maintenance of the Governing Policies as provided in Part 6 below; and
h. obtaining the Acknowledgements signed by Board members required by the Conflicts of Interest and Executive Compensation policy (see Appendix).

The Secretary may delegate performance of some or all of these duties but shall oversee the performance to ensure that it is satisfactory.

4.8 Treasurer’s Role. The Treasurer has overall responsibility for Board oversight of the corporate finances. The Treasurer shall act as chair of the Finance Committee. The Treasurer will report to the Board regarding the church’s financial situation in an appropriate and timely manner.

4.9 Board Meetings. The Board shall set a schedule for regular Board meetings. The Board Officers Committee shall set the Board agenda. The Secretary or the Secretary’s designee shall ensure that the agenda and accompanying background materials, reports and previous minutes shall be sent to all trustees prior to the Board meeting. In addition to other business, the Board will regularly evaluate and discuss its own process and performance to ensure that Board meeting time is devoted to leadership and policy-making rather than to programmatic or other details.

4.10 Committees. The Board uses committees to carry out much of its work. The bylaws or the Board may create standing or ad hoc committees. Committees do not speak for the Board and do not exercise authority over the Executive Team or staff.

4.10.1 Board Officers Committee. The Board Officers Committee is a standing committee of the Board. The BOC consists of the moderator, vice moderators, secretary and treasurer, with the senior minister and/or ministers designated by the senior minister serving ex-officio as nonvoting members. When the Board is not in session, the BOC has all powers of the Board to manage the affairs of the church in connection with matters that must be decided before the next regular Board meeting. The BOC meets each month to plan the monthly Board agenda, which shall consist primarily of issues related to Board policies and oversight of the church, and to deal with other matters that come before it.

4.10.2 Finance Committee. The Finance Committee is a standing committee of the Board and is chaired by the Treasurer. The Board delegates to the Finance Committee responsibility for:

a. varying actual expenditures from budgeted amounts insofar as actual income varies from budgeted income as provided by the bylaws;
b. monitoring compliance with Part 3 of these policies in the areas of Financial Planning and Budgeting, Financial Condition and Activities, and Asset Protection;
c. reviewing the annual budget and making recommendations to the Board about recommending its adoption to the congregation;
d. meeting with the congregation to explain and take comments about the annual budget prior to its submission to the congregation for a vote;

e. presenting financial reports to the Board of Trustees, along with a statement of any Board alerts related to the church’s financial statements or conditions;

f. reviewing the compensation of key employees in accordance with the Conflicts of Interest and Executive Compensation Policy (see Appendix) and making recommendations to the Board about such compensation;

g. contracting for an external financial audit each year. When contracting for an external audit, the Finance Committee shall stipulate that the auditor must report to the Finance Committee:

1) All critical accounting policies and practices used by the church that have been discussed with management.

2) All alternative treatments of financial information, ramifications of such use, and the treatment preferred by the auditor.

3) Other material communication between the auditor and management, such as the management letter or schedule of unadjusted differences. The contract shall also provide that the auditor shall provide copies of the audit report and management letter directly to the Executive Team, the church administrator and the Finance Committee; and that members of the Finance Committee be present at the audit exit conference.

4.10.3 Communications Committee. The Communications Committee is a standing committee of the Board. The Communications Committee acts to implement the communication responsibilities of the Board to the congregation as defined in these Governing Policies.

4.10.4 Policy Evaluation Committee. The Policy Evaluation Committee is a standing committee of the Board. The Policy Evaluation Committee shall:

a. Conduct the annual review of ministry as called for in the church’s bylaws;

b. Evaluate the Executive Team performance as provided in Part 2 by:

1) Reviewing the Executive Team biannual reports for progress toward the realization of the church’s mission prior to their submission to the Board and alerting the Board of any significant issues raised by the Executive Team report;

2) Ensuring compliance with the Management Limitations and Board-Executive Team Relationship in accordance with the schedule in the Policy Evaluation Schedule in the Appendices; and

3) Ensuring that the administration of the church is assessed every 3 years by a qualified professional from a recognized clergy/church consulting firm, such as Alban Institute.

c. Review the governance structures and processes of the church by:

d. Conducting an annual self-evaluation of the Board with a report to the Board each church year. The annual self-evaluation shall be of both process and outcome/results with reference to governing policies in this Part and in Part 2 on the Delegation to Management and to the Board’s annual goals. The annual self-evaluation may take place all at one time, or may be divided into separate elements conducted at different times, so long as each element is evaluated once each year.

e. Reviewing the bylaws and governing policies annually (amended 6.24.10).
4.10.5 Other Committees. The Board may establish other committees to help carry out its responsibilities.

4.10.6 Guidelines for Non-Board Congregants Serving on Board Committees. The purpose of Board committees is to carry out the Board’s goals and responsibilities. Non-Board congregants can be valuable additions to Board committees. The Board will consider the following factors in determining whether to place non-Board congregants on Board committees.

   a. Is there a need on the committee for the proposed member’s expertise/experience?
   b. Does the chair recommend that the congregant serve on the committee? The Board Officers Committee recommends that the chair consult with it before talking to the congregant.
   c. Has the proposed member demonstrated a commitment to the church?
   d. Will the proposed member agree to and promote the Board’s goals and observe the bylaws, policies, covenants and meeting guidelines of the Board and the committee?
   e. Has the proposed member demonstrated an ability to work collaboratively with the ministers and Board members?
   f. Can and will the proposed member work with committee members to accomplish the committee’s Board-approved goals and objectives in a timely manner?
   g. If the Board does put a non-Board congregant on a Board committee, the congregant serves under the following terms:

      a. The non-Board member serves at the will of the Board, with the term to expire at the latest at the end of May of the church year during which the member is appointed to the committee.
      b. Non-Board members requesting to be on Board committees shall talk to the committee chair. The chair will consult with the committee and bring a recommendation to the Board for its approval.
      c. In the event that the chair wants to remove a non-Board member prior to the expiration of his/her term, the chair shall notify the member, and bring the rationale and recommendation to the Board for approval.
      d. In order to comply with Oregon law, the non-Board member on any committee that exercises Board authority shall not be allowed to vote.

4.11. Board Internal Communications. Communications from Board leadership to Board members and among Board members will be clear and timely. Care will be taken to ensure that Board members are not excluded or disadvantaged by internal communications policies. With reference to email communications, Board members shall ensure that the email addresses used for Board business are confidential and not shared with another person.

4.12 Conflict Resolution Process Involving Board Members and Ministers. Conflicts between and among two or more Board members, or between Board member(s) and minister(s) shall be resolved in a timely manner as follows:
a. The Board members shall attempt to resolve the conflict outside of a Board meeting. Reference
to and use of the congregational covenant is highly recommended.
b. If a. does not resolve the conflict, the Board members shall approach the highest ranking officer
not involved in the conflict for help in resolving the conflict.
c. If the conflict is not resolved at b. above, the Board members shall bring the conflict to the
attention of the Board. The Board shall determine a mechanism for resolving the conflict.

4.13 Filling vacancies of unexpired terms. The bylaws (Art. 4 §2 and Art. 5 §1) state that the Board fills a mid-
term vacancy in the Board, and the Moderator fills a mid-term vacancy in the Nominating Committee. The
Board desires to work collaboratively with the Nominating Committee in filling these vacancies. The
Board/Moderator will consider names vetted for this purpose by the Nominating Committee during the
tripartite process. The Board/Moderator may use these names as a pool of qualified candidates should a mid-
term vacancy arise. The Board/Moderator will be responsible for all discussions with potential candidates
(added 6.24.10).

4.14 Board Calendar. Major events that occur on a regular basis are as follows:

   June—Election of Board officers; election of Foundation representatives; Moderator names Chair and
   members of Standing Committees, including liaisons to Nominating Committee; Executive Team
   quarterly report due

   Summer—Board retreat: set Board goals

   September—Executive Team biannual report due

   No later than October meeting – Board finalizes its own annual goals and strategies

   December—

   February—begin planning for annual congregational elections (in person or mail) and membership
   meeting in May

   March—Finalize planning for annual congregational meeting

   No later than April – Set Board retreat date; Executive Team biannual report due

   May—annual congregational elections and membership meeting;

PART 5. MEMBERS AND FRIENDS

5.1 Purpose. Members and friends are vital to the realization of the church’s mission. The church relies on
members and congregants to contribute time, talents, ideas and resources to support the church. We are a
congregational church and voting members call or elect all parties to the church governance.

34
In order to support congregational involvement in the church mission, the Board shall engage in systematic two-way communication with congregants, establish a financial commitment from voting members that invites members to grow in generosity while supporting the church, provide avenues for resolving conflicts involving congregants, and promote a church that is welcoming and safe for all congregants.

5.2 Communication. As described in Part 4, the Board shall use a variety of forums to engage in two-way communication with church members and congregants.

5.3 Minimum Pledge for Voting Members. The Bylaws require that each voting member make a contribution during the preceding 12 months and charge the Board to establish the minimum amount of the contribution. Members seeking to be voting members are making an important commitment to the church which includes the commitment to be financially responsible for the church. The decision about a financial pledge is a spiritual decision about generosity that each congregant is called to make for him or herself.

Accordingly, the Board has determined that, to be a voting member, a member shall make and fulfill a pledge that is generous within his or her means to the annual operating fund of the church each year. Each voting member shall determine what pledge meets the minimum amount to be generous within his or her means and shall pledge at least that amount to the church. The church shall provide a suggested giving guide to all members that provides descriptive categories of giving based on the member’s commitment to the church. Members who are ready to make the commitment to the church to be voting members but who are unable to make a financial pledge can obtain a waiver of the pledge from a minister.

5.4 Conflict Resolution Process Involving Congregants and Board Members. A Board member who receives a complaint from a congregant about a Board member or Board members will assist that congregant in pursuing her or his issue in a timely manner through the Board’s Conflict Resolution Process, which is as follows:

a. The congregant should first bring the concern to the Board member(s) complained about if he or she feels comfortable doing so. Reference to and use of the congregational covenant is highly recommended.

b. If a. above does not resolve the concern or if the congregant is not comfortable approaching the Board member(s) directly, the grievant may request that the parties engage in mediation. If the Board member(s) agree(s), the parties shall select a qualified mediator from the church membership.

c. If the concern is not resolved at b. above, the grievant may submit the concern in writing to the Moderator, who will notify the Board at the next regular Board meeting. The Board shall follow Complaint and Inquiry Process in Part 5 below, starting with the second and third paragraphs. The decision of the Complaint and Inquiry Committee shall be considered as a final resolution of the conflict.

5.5 Complaint and Inquiry Process Involving Congregants and the Church. A Board member who receives an inquiry or complaint from a congregant will refer the congregant to the Treatment of Members and Friends policy and the Resolution of Conflicts policy in Part 3 and to the church’s grievance procedure as set forth in
If the congregant has already taken this path and feels s/he has not been reasonably accorded her/his rights under the Board’s policies, the congregant will be invited to forward the grievance in writing to the Moderator, who will notify the Board at the next regular Board meeting.

An ad hoc Board committee will take the matter under consideration. This ad hoc committee will consist of the Moderator and four other Board members chosen by the Board. The Complaint and Inquiry Committee will be referred to hereinafter as the CIC.

The Board’s treatment of complaints, concerns and inquiries taken under consideration first focuses on the policy aspects of each individual situation. The CIC asks, “Is this incident a violation or potential violation of current Board policy?” Their answer determines which path is taken:

1. Yes, this incident is a violation or potential violation of current Board policy.
   a. CIC informs Executive Team and the full Board as a courtesy.
   b. CIC institutes a review of applicable policy and asks for Executive Team’s interpretation of that policy. They decide if the Executive Team interpretation falls outside “any reasonable interpretation” of applicable Board policy.
      i. Yes, it does. CIC determines the degree of seriousness and refers it to the Board for appropriate action.
      ii. No, it doesn’t. CIC proceeds to 2.b. below.
2. No, this incident is not a violation or potential violation of current Board policy.
   a. CIC informs Executive Team and the full Board as a courtesy.
   b. CIC asks: Should there be a policy on this issue? Does an existing applicable policy need to be tightened?
      i. Yes, new or amended policy might be needed. CIC asks Board Officers Committee to place the policy matter on the next Board meeting’s agenda. The Board decides whether existing policy should be amended or additional policy written.
         1. No change to policy is recommended. CIC proceeds to (2) below.
         2. Policy is amended, making the reported event explicitly unacceptable in the future.
         3. The initiator of the inquiry/complaint is informed.
      ii. No, no new policy is needed.
         1. CIC evaluates the inquiry/complaint in light of non-policy factors.
         2. CIC at its discretion may call upon the full Board or other appropriate body, or a qualified mediator to assist in its evaluation.
         3. CIC renders a decision and notifies the full Board, the executive team, and the initiator of the inquiry/complaint.

5.6 Safe Church Policy. The Board is committed to creating and supporting a welcoming and safe community of diverse individuals. The Board welcomes all who support the principles and purposes of our church. In the spirit of love and reason the Board has developed the following policy in accordance with Article II, Section 5 of the bylaws to help frame behavioral limits for members of First Church that respect the worth, dignity, and safety of all members of the community. Reference to and use of the congregational covenant is highly recommended.
1. Behavior that is dangerous, disruptive or disrespectful fails to respect the worth, dignity and safety of the members of our church community and results in a community that does not feel welcoming. The Board defines these terms as follows,
   a. **DANGEROUS** – an individual threatens, through words or actions, the safety of a person, persons, church property or property of a church member or friend
   b. **DISRUPTIVE** – actions of an individual which significantly interfere with a worship service, meeting, church event or similar church gathering
   c. **DISRESPECTFUL** – behavior that fails in a significant way to recognize the inherent worth and dignity of each individual, for example, is harmful or abusive to others or to the community, including but not limited to racist, sexist, or homophobic comments or actions or the malicious spreading of untruths.

2. The content of one’s beliefs and the exercise of the right of responsible dissent shall not be considered dangerous, disruptive or disrespectful.

3. If an individual exhibits behavior(s) as defined above, the following four factors will be considered in order to determine an appropriate response:
   a. **SEVERITY** – How serious is this issue or situation?
   b. **CAUSES** – Why is this situation occurring? Is it a conflict between an individual and others in the church? What other factors need to be considered (mental health, drugs/alcohol)?
   c. **HISTORY** – What has been the frequency and severity of this behavior in the past? Has this situation been addressed previously, and if so, how was it handled?
   d. **PROBABILITY OF CHANGE** – How likely is it that the problem behavior will diminish or cease if the individual is offered feedback and the opportunity to demonstrate changed behavior?

4. The Board shall endeavor to treat any individual who is found to have engaged dangerous, disruptive or disrespectful behavior with love and respect as it determines how to respond to that person’s behavior. All efforts to maintain confidentiality will be observed. The following process provides guidelines to deal with dangerous, disruptive or disrespectful behavior. The appropriate level of intervention will be determined by the severity of the situation. Reasonable efforts will be made to resolve any perceived conflict or differences using available church resources.
   a. **STEP 1:** Dangerous, disruptive or disrespectful behavior will not be tolerated. When it is observed, the minister, program director, committee chair, or other church leader will initiate necessary action.
      i. If the behavior is threatening or dangerous, the individual will be asked to stop immediately or leave the area. The police may be called if the individual does not comply with the request. If the minister, program director, committee chair or church leader believes that the behavior is so dangerous that further action is required, the minister, program director, committee chair, or church leader shall move to Step 2.
      ii. If the behavior is disruptive or disrespectful but not dangerous, the minister, program director, chair or church leader may ask the individual to immediately stop the behavior and/or will speak with the individual privately following the incident or complaint. The individual will be given feedback about the disruptive or disrespectful behavior and its effect on the meeting, event, gathering, or church community. The individual will be informed that the behavior is unacceptable and must stop; he/she will be offered appropriate support to make these changes.
b. **STEP 2:** If the above interventions are not effective in stopping the dangerous, disruptive or disrespectful behavior, the program director, committee chair, or church leader will seek counsel from the senior or associate minister. The individual will be offered feedback and assistance as needed to help with understanding the issue and changing the offensive behavior.

c. **STEP 3:** If the interventions under Steps 1 and 2 above do not resolve the problem, the minister, program director, chair, or church leader will report the situation to the Moderator of the Board. The Moderator will consider available options for dealing with the situation and may appoint an Ombuds group, comprised of three or four objective and unbiased congregants, able to maintain confidentiality, devoted to the well-being of the church, and who would advocate for reason and kindness. These individuals would have particular skills or knowledge useful in the assessment of the current situation. They would interview the individual, gather data in a non-judgmental way and offer support as needed (for example, referring the individual to the lay ministers or appropriate counselors or other professionals as indicated). Called by the Moderator only when needed for a specific incident or situation, they would be provided a brief training in their role including such areas as confidentiality, data gathering process, and available resources. They would be instructed by the Moderator with clear delineation of their charge. Their task would be completed after their deliberations and presentation of information to the Board Officers Committee offering suggestions for resolution. The Moderator will set forth a timeframe for the Ombuds findings when they are appointed.

d. **STEP 4:** Based on the Ombuds findings, the Board Officers Committee may refer the issue to the Board of Trustees for consideration. The Board may deny the individual access to Board or committee meetings, events, congregational gatherings, and/or the church property for a period of time. The Board may exclude the individual from membership in the church in accordance with church bylaws or may take other appropriate action to remedy the problem. The Board shall clearly communicate their concern for the individual as a person of worth and dignity and offer ongoing community support consistent with the individual’s preference.

e. **STEP 5:** If the individual requests reinstatement as a church member at a later date, a meeting with the ministers and Board Officers Committee shall be necessary to determine that changes in behavior have occurred. If satisfactory changes have occurred, the BOC and ministers will offer support for the individual’s efforts to rejoin the church and shall outline conditions for reinstatement of the individual.

### PART 6. PURPOSE AND FUNCTION OF GOVERNING POLICIES

The Governing Policies contain all the current policies adopted by the Board since the initial approval of this version of the Governing Policies on March 25, 2010.

**6.1 Purpose of the Governing Policies.** The Board adopted the Governing Policies in order to collect all of its policies in one location. This allows current and future Trustees and other interested parties to know what the Board policies are.
6.2 *Relationship to Other Governance Documents*. The Articles of Incorporation and the bylaws have precedence over all Board policies. In the event of a conflict between the Articles or bylaws and a Board policy, the provision in the Articles or bylaws prevails over the Board policy.

6.3 *Relationship of Board Policies to Older Board Policies*. The most currently adopted Board policy has precedence over older Board policies with which it conflicts. The Secretary shall remove the older policy, or the sections of it changed by the newer policy, from the Governing Policies. The Secretary shall insert a note into the Governing Policies after the amended policy indicating that the Board amended the policy and the date it was amended.

6.4 *Maintenance of Policies*. The Secretary shall ensure that the church records and publishes all current Governance Policies correctly. Policies that are too lengthy or for other reasons do not fit well within the Governance Policies are contained in the Appendices. Such policies should be referenced in the body of the Governance Policies as well. The Secretary shall maintain a copy of former Governance Policies.

6.5 *Effect of Policies*. Board policies are intended to be guidelines, not legal standards or regulations, for the Board. Except to the extent that a policy complies with a law or governmental regulation, the Board is not legally bound to follow its policies. The Board’s failure to follow a Board policy shall not give rise to an arbitration, suit, action, administrative hearing or any other legal proceeding against the Board nor shall such failure be evidence in an arbitration, suit, action, administrative hearing or any other legal proceeding against the Board. The policies are binding on the Executive Team and staff.

### PART 7. AMENDMENT OF POLICIES

The Board may authorize a deviation from a policy or amend a policy in the same manner in which it is authorized to act on other regular corporate matters. If the Board’s action deviates from or amends a provision in the Articles of Incorporation or bylaws, the Board must follow the procedure for amendment with reference to the document being amended.

### APPENDICES

(Appendices are listed in alphabetical order. New Appendices should be placed alphabetically.)

### APPENDIX

**CONFLICTS OF INTEREST AND EXECUTIVE COMPENSATION POLICY**

**Purpose**
The Board of Trustees shall monitor the transactions between the church and insiders to ensure that any transaction between the church and an insider that is a conflict of interest is fair to the church and does not grant excessive benefit to the insider. The purposes of this policy are to ensure that trustees and officers act loyally to the church and that trustees, officers and those who exercise substantial influence over the church do not use their influence to obtain benefits in excess of fair market value in transactions with the church. This policy seeks to ensure that the church observes state and federal taxation and funding laws concerning conflicts and excess benefits transactions.

SECTION 1: DEFINITION OF INSIDER

For purposes of this policy, “insider” has the same meaning as “disqualified person” under the Internal Revenue Code, 26 USC §4958. The current IRS definition is explained in §§1.1 through 1.4 below and will need to be updated if the IRS definition changes. In addition, the individuals and entities described in §§1.5 and 1.6 below are also considered insiders.

1. An insider is any person who is in a position of authority over the church or who exerts substantial influence over the church, including trustees, officers, the top management official, the top financial official, other key employees, the founders and major donors.

2. Family members of insiders are also insiders. Family members include the spouse or partner in a civil union recognized by state law; children, grandchildren, great-grandchildren, whole and half-blooded brothers and sisters, and spouses of any of these people; and any ancestors (parents, grandparents, etc.)

3. Corporations and limited liability companies in which an insider owns more than 35% of the voting power, partnerships in which the insider owns more than 35% of the profits and trusts or estates in which the insider owns more than 35% of the beneficial interest are insiders.

4. An insider who becomes an insider by virtue of §§1.1 through 1.3 above remains an insider for five years after his or her influence over the church ends.

5. An entity in which a trustee has a material interest or is a general partner, trustee, officer, top management official, top financial official or other key employee is an insider.

6. An insider is any other for-profit or nonprofit entity in which a trustee of this church is a trustee or officer and the entity and this church are parties to a transaction that is or should be considered by the Boards of both organizations.

SECTION 2: DEFINITION OF CONFLICTS OF INTEREST
For purposes of this policy, a conflict of interest arises when an insider described above may benefit financially
from a decision he or she could make in his or her capacity as an insider, including indirect benefits to family
members or businesses with which the insider is closely associated. A conflict of interest arises in any such
transaction between the church and an insider, except for (1) transactions in the normal course of operations
that are available to the general public under similar terms and circumstances, and (2) expense
reimbursements to an insider made pursuant to an accountable plan under IRS Reg. 1.62-2(c)(2).

SECTION 3: PROCEDURE

In order to ensure that transactions with insiders are fair to the church and comply with state and federal
laws:

1. All insiders must promptly and fully disclose all material facts of every actual or potential conflict of interest
to the Board of Trustees at the time such conflict arises.

2. When the church engages in a transaction with an insider that constitutes a conflict of interest, the Board
shall handle the transaction as follows:

   (a) If a trustee is offered employment by the church as an employee and wants to accept the
employment, the Board shall follow the procedure in this Section for insiders to ensure that the compensation
is reasonable. If the Board determines that the compensation is reasonable, the trustee must resign from the
Board of Trustees before accepting such employment.

   (b) The Board shall exclude any insider that has a conflict of interest with respect to the transac-
tion from all discussion and from voting on the transaction. The Board may ask questions of the insider prior to
beginning its discussion.

   (c) The Board shall gather appropriate data to ensure that the compensation for each insider is
reasonable. In the case of employee compensation packages, the Board shall utilize reliable surveys of
compensation for comparable positions or shall utilize data for at least three similarly situated employees in
comparable positions. The Board shall not use the employee whose compensation is under consideration to
collect comparability data.

   (d) The Board shall document its decision by keeping written records that state the terms of the
transaction and date approved, the trustees present and who voted on it, the comparability data and how the
data were obtained, and any actions taken with respect to trustees who had a conflict of interest with respect
to the transaction. The records must be prepared before the latter of the next Board meeting or 60 days after
the final action is taken. Once prepared, the records must be reviewed and approved by the Board within a reasonable time.

3. When employee compensation packages are established each year, the Board shall identify those employees who are insiders. The Board shall monitor the compensation packages of insiders in accordance with the procedure in §3.2 above.

4. When the church provides an economic benefit to an insider for the insider’s services as an employee or an independent contractor, the church shall contemporaneously document the transaction as required by the IRS (generally on an original Form W-2, Form 1099 or with a written employment contract).

SECTION 4: COMPLIANCE WITH THIS POLICY

In order to ensure compliance with this policy:

1. On an annual basis, the Secretary of the church or the Secretary’s designee shall develop and maintain a list of insiders who engage in or are reasonably likely to engage in transactions that constitute conflicts of interest with the church during the year.

2. The officers, trustees and key employees shall each year disclose interests that could give rise to a conflict of interest under this policy. Such disclosure shall be made on a Disclosure and Acknowledgment form similar to the one attached to this policy and shall be filed with the Secretary or the Secretary’s designee.

3. The Secretary or the Secretary’s designee shall monitor and enforce compliance with this policy by reviewing the list of insiders and the Disclosure and Acknowledgment forms each year and by bringing potential or actual conflicts to the attention of the Moderator of the Board. The Moderator shall disclose conflicts to the Board as they arise and ensure that the procedures in this policy are followed.

4. The Secretary or the Secretary’s designee shall convey the list of insiders identified above to the Executive Team and shall instruct the Executive Team to notify the Board if the Executive Team or any employee plans to engage in a transaction with an insider that constitutes a conflict of interest, including payment or reimbursement for business or travel expenses of the insider and/or members of the insider’s family not made pursuant to an accountable plan under IRS Reg. 1.62-2(c)(2). If so, the Board shall monitor the transaction to ensure that it complies with the procedure in Section 3 above.

SECTION 5: DELEGATION TO COMMITTEE

The Board may delegate its responsibilities under this policy to a committee of the Board. The committee shall comply with this policy and shall report its decision to the Board in a timely fashion.
CONFLICTS OF INTEREST DISCLOSURE AND ACKNOWLEDGMENT STATEMENT

[Each Trustee and Officer should sign and submit this form annually.]

Disclosure

Please report below any direct or indirect conflicts of interest you have or may have in connection with the church.

You have an ongoing obligation to notify the Board promptly of any direct or indirect conflict of interest as it arises.

List of Conflicts

Please list any direct or indirect conflicts here:

Acknowledgment

I have received and read and will comply with the Conflicts of Interest Policy of this church. I affirm that, other than the interests reported, I am aware of no direct or indirect conflicts of interest that I have or may have within the meaning of the Conflicts of Interest Policy.

Signature: _______________________________ Date Adopted: ______________________

________________________________________

Title

Please submit this form to the Secretary of the church and retain a copy for your records.
APPENDIX

BOARD COVENANT OF LEADERSHIP

Our promises of spirit

We promise to

- pray and be mindful of Spirit, alone and together
- be thankful for and continue to strive to deepen our spiritual lives
- look within our hearts for help and listen to the answers that come to us.

Our promises to our church community

We promise to

- demonstrate our leadership and commitment to our church by our example
- support our church ministers and the staff so that their efforts can be most productive
- try to discover what is best for our church as a whole, not what may be best for us or for some small group of the church
- listen with an open mind and heart to the words and ideas of the members of our church community
- communicate openly, acknowledge and appreciate others, act with heart and integrity, and cultivate relationships within our church community

Our promises to the ministers and to each other on the board of trustees

We promise to

- respect and care for each other
- honor the fact that our ministers are called, not hired
- treat our time on the board as an opportunity to make an important gift to our church
- listen with an open, nonjudgmental mind to the words and ideas of the ministers and each other on the board
- discuss, debate, and disagree openly in board meetings, expressing ourselves as clearly, honestly, and courteously as possible so that we are certain that the board understands our point of view
- support the final decision of the board, whether it reflects our view or not.

We pledge to observe these promises, to do our best to trust that others are also observing them, and to be forgiving when we inevitably make mistakes. We accept the accountability implied in these promises.”
APPENDIX

EXECUTIVE TEAM FINANCIAL GUIDELINES

BALANCED BUDGET DATE  Annually--Draft to Finance Committee one week prior to the February Committee Meeting; Final to Board March Board Meeting

COST OF GOVERNANCE  $ 10,000

SAFETY RESERVE  $ 100,000

ALLOCATION OF EXCESS MAINTENANCE RESERVE BY BOARD  (to be determined when excess occurs)

DEBT GUIDELINE  Temporary excess spending must be covered by certain, otherwise unencumbered revenues. In no case shall temporary excess spending exceed 5% of the total operating fund budget, not including designated reserves.

CONTRACT AWARD LIMIT  $ 10,000

BID LIMIT  $ 10,000
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<th>POLICY</th>
<th>METHOD</th>
<th>FREQUENCY</th>
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<td><strong>Financial Planning and Budgeting,</strong> Part 3.3.2</td>
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<td>Annually—Submitted prior to April Finance Ctte mtg.</td>
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<td>Multi-Year Financial Outlook</td>
<td>Internal</td>
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APPENDIX

FIRST UNITARIAN FOUNDATION GIFT ACCEPTANCE POLICY

I. Bequests and Gifts. All undesignated bequests shall be considered gifts to the Foundation. All undesignated gifts up to $1,500 will be considered gifts to the Church. When undesignated gifts over $1,500 are received by the Church, the donor will be contacted if possible and asked whether s/he wants the donation to go to the Church or the Foundation. If no contact is possible the donation will go to the Church. Gifts and bequests with a specific purpose designated (other than a designation to the Foundation), payments on pledges for current year church expenses, payments on capital campaign pledges, and all moneys received in worship service collection plates (except moneys designated to the Foundation) shall go to the Church.

II. Gift Acceptance Committee. The Gift Acceptance Committee shall be composed of the Foundation Board of Stewards sitting as a committee of the whole. When deemed necessary the Committee shall consult legal counsel or other appropriate professionals.

g. General Provisions

A. Gift acceptance. Gifts may be solicited and accepted from individuals, corporations, foundations, and federal, state and local governments. Gifts may be accepted, however, only for programs consistent with the mission of the Foundation.
B. **Legal and tax advice for donors.** The information provided in this policy is presented for general information and discussion purposes only and should not be considered or used as legal advice. Donors and prospective donors should always confer with their own legal counsel or tax advisors for opinions about the tax or other legal consequences of their proposed donation.

C. **Securing appraisals and legal fees for gifts to the Foundation.** It shall be the responsibility of the donor to secure an appraisal (when required) independent legal counsel for all gifts made to the Foundation.

D. **Valuation of Gifts for development purposes.** The Foundation shall record a gift received by the Foundation at its valuation for gift purposes on the date of the gift.

E. **Responsibility for IRS filings upon sale of gift item.** The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation where the charitable deduction value of the item was $5,000 or greater. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.

F. **Acknowledgment of Gifts.** All gifts made to the Foundation and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the Gift Acceptance Committee.

IV. **Types of Gifts.**

   The following criteria govern the acceptance of each gift type.

A. **Cash** is acceptable in any form. Checks shall be made payable to the Foundation or the Church.

B. **Tangible Personal Property** gifts shall be examined in light of the following questions:

   1. Does the property fulfill the mission of the Foundation?
   2. Is the property marketable?
   3. Are there any undue restrictions on the use, display, or sale of the property?
   4. Are there any carrying costs for the property?

C. **Publicly Traded Securities.** As a general rule, all marketable securities shall be sold upon receipt unless otherwise decided by the Gift Acceptance Committee.

D. **Closely Held Securities.** Gifts must be reviewed prior to acceptance by the Gift Acceptance Committee to determine that:

   1. There are no restrictions on the security that would prevent the Foundation from converting these assets to cash.
   2. The security is marketable.
   3. The security will not generate any undesirable tax consequences for the Foundation.

E. **Real Estate.** Gifts may include developed property, undeveloped Property, or gifts subject to a prior life interest. Prior to acceptance of real estate the Foundation shall require an environmental review at the expense of the donor. The Foundation shall take any action determined to be necessary as a result of this review.

Where appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of
the real estate gift. The cost shall generally be paid by the donor. Criteria to be considered by the Gift Acceptance Committee for acceptance of the property shall include:

1. Is the property useful for the purposes of the Foundation?
2. Is the property marketable?
3. Is the value of the property, net of any mortgages or other encumbrances, at least $20,000?
4. Are there any restrictions, reservations, easements, or other limitations associated with the property?
5. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes etc., associated with the property?
6. Does the environmental audit reflect that the property is not damaged?

F. Remainder Interest In Property. The Foundation will accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of “E. Real Estate” above. The donor or other occupants may continue to occupy the real property for the duration of their life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary until such time as the property passes irrevocably to the Foundation.

G. Oil, Gas and Mineral Interests. The Foundation may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil or gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation’s legal counsel. Criteria for acceptance of the property shall include:

1. Gifts of surface rights should have a value of $20,000 or greater.
2. 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 three years prior to the gift.
3. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
4. If the interest is a working interest, the organization should determine the impact on the Foundation so that it may develop a plan to minimize that impact if accepted.
5. The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

H. Bargain Sales. The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purpose of the Foundation. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee. Factors used in determining the appropriateness of the transaction include:

1. The Foundation must obtain independent appraisal substantiating the value of the property.
2. If the Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.

3. The Foundation must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months.

4. The Foundation must calculate the costs to safeguard, insure and expense the property (including property tax, if applicable) during the holding period.

I. **Life Insurance.** The Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payments as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:

1. Continue to pay the premiums.
2. Convert the policy to paid up insurance, or
3. Surrender the policy for its current cash value.

J. **Charitable Gift Annuities.** The Foundation may offer charitable gift annuities. The minimum gift for funding shall be $10,000. The minimum age for life income beneficiaries 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 will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual or annual schedule. The Chair of the Gift Acceptance Committee may approve exceptions to this payment schedule.

The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for deferred gift annuities unless 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 Chair of the Gift Acceptance Committee 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 funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Foundation’s general investment funds.

K. **Charitable Remainder Trusts.** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance committee of the Foundation. The recommended gift minimum shall be $100,000.

L. **Charitable Lead Trusts.** The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Board of the Foundation will not accept an appointment as Trustee of a charitable lead trust. The recommended gift minimum shall be $100,000.

M. **Retirement Plan Beneficiary.** Donors and supporters of the Foundation shall be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations shall not be
recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is received, 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. Bequests. Donors and supporters of the Foundation shall be encouraged to name the Foundation in their wills and trusts. Such bequests shall not be received on the books of the Foundation until such time as the gift is irrevocable. When 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.

V. Changes to Policies. These policies and guidelines have been reviewed by the Church’s Investment and Stewardship Committees, reviewed and approved by the Church’s Board, reviewed by the Foundation’s legal counsel and approved by the Board of the Foundation. The Board of the Foundation must approve any changes to or deviations from these policies.

Approved by Church Board on the 19th day of December, 2002.

Approved by Foundation Board on the 12th day of December, 2002.

APPENDIX
INVESTMENT POLICIES

Investment Guidelines
These investment guidelines apply to the investment portfolio of all church funds, except those managed by the Foundation.

The Executive Team will at all times embrace investment strategies that are in harmony with the Mission Statement and the Ends Policies of the First Unitarian Church.

The overall objective for management of the church investments shall be to:

1. Manage operating funds to provide for necessary liquidity and safety of principal;
2. Manage all other funds to provide for safety of principal and a growing income stream.

Investment objectives in order of importance are:

1. Safety—preservation of capital
2. Liquidity—timed availability of funds
3. Rate of return—yield

Investments in the stocks and bonds of individual companies and government organizations will be avoided whenever possible:

1. Securities received from congregants will be sold as soon as possible.
2. Investments will be in mutual funds that satisfy the criteria specified in these policies.
Investment Choices
A socially and environmentally conscious framework will be utilized when evaluating investment choices.

Unauthorized Investments
Prohibited investments include, but are not limited to:

- Commodities and Futures Contracts
- Private Placements
- Options, Including Puts and Calls
- Limited Partnerships
- Derivatives
## APPENDIX
### POLICY EVALUATION SCHEDULE

<table>
<thead>
<tr>
<th>Policy</th>
<th>Method of Evaluation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mission (program outcomes)</strong></td>
<td>Internal</td>
<td>reports during the church year</td>
</tr>
<tr>
<td>Executive Team Reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Management Limitations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel matters</td>
<td>Internal</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>Generosity</strong></td>
<td>Internal</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>Financial planning and budgeting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Execution of contracts</td>
<td>Internal</td>
<td>Annually</td>
</tr>
<tr>
<td>Records</td>
<td>Internal</td>
<td>Annually</td>
</tr>
<tr>
<td>Communications and support to the Board</td>
<td>Internal</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>Governance Process</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process observation</td>
<td>Direct inspection</td>
<td>Monthly</td>
</tr>
<tr>
<td>Reviewing bylaws/policies</td>
<td>Direct inspection</td>
<td>Annually</td>
</tr>
</tbody>
</table>
APPENDIX

WHISTLEBLOWER POLICY

This church seeks to conduct all of its activities in a responsible, legal and ethical manner. All officers, trustees, employees and volunteers of this church must practice integrity and honesty in fulfilling their responsibilities and must comply with all applicable laws and regulations. The purpose of this Whistleblower Policy is to provide a mechanism to report irresponsible, illegal or unethical behavior.

Whistleblower Complaints
If an officer, trustee, employee or volunteer should discover information leading him or her to believe that a serious wrongdoing or illegal or unethical behavior has occurred in this church, he or she is encouraged to report this information to the Moderator of the Board. If the Moderator of the Board is not available or is implicated in the wrongdoing, he or she is encouraged to report the information to another Board officer.

The Moderator, Board officer, or designee shall conduct an investigation. Reports of violations will be kept confidential to the extent possible, consistent with the needs of an investigation. Appropriate corrective action will be taken, if warranted by the investigation.

No Retaliation
1. The church’s policy is to protect from retaliation any person who in good faith:
   (a) provided to law enforcement or other official any information that the person believes to be evidence relating to the commission or possible commission of any federal, state or local offense;
   (b) initiated or aided in criminal or civil proceedings;
   (c) testified at a governmental adjudicatory hearing;
   (d) reported a health or safety violation; or
   (e) reported information about wrongdoing, illegal or unethical behavior pursuant to this Policy.

No officer, trustee, employee, or volunteer of this church shall take any action detrimental to any person described above, including interference with the lawful employment or livelihood of any such person, except as permitted in 2. below.

2. In the event that an officer, trustee, employee, or volunteer intends, for any reason, to take any action harmful to any person who has acted as described in 1. above, the officer, trustee, employee, or volunteer must obtain the approval for such action from the Board of Trustees prior to taking action. Such approvals must be obtained even if the officer, trustee, employee, or volunteer believes that the person who provided information to the law enforcement officer provided untruthful information.
First Unitarian Church

DRAFT Finance Committee Minutes

October 25, 2016


Call to Order: 5:00 PM, Buchan Room B310.

Reading: Laura shared a quote.

Minutes: The minutes of the September meeting were approved with two corrections: the date needs revision (September 20, 2016) and Michael Wade need to be added as an attendee.

Review Date and Time for Next Regular Meeting: Tuesday, November 22, 5:00-6:30 PM, B310.

Announcements and Reports: November FC meeting will include an update on the maintenance plan and a report from Darin on the solar panel proposal.

Annual Fund Drive Report: Zaida provided a quick review of the preliminary AFD results.

2016 AFD Goal: $1,500,000
Actual: $1,510,109

2017 Goal: $1,545,000
To Date: $299,966 (160 pledges; average pledge $1,875.)

Auto renewing Opt-In: This year’s AFD has introduced the “auto-renewing” option where congregants can indicate that their pledge can be considered automatically renewed at the conclusion of 2017. Approximately 50% of the pledges have opted in, a very good result.

Auction 2015: Zaida provided a current accounting from Kathy Ludlow on the expenses for the exterior improvements. To date, expenses are $33,178. Laura noted that unlike prior auction expenditures the exterior improvements have many different components and vendors which could result in expenses trickling in.

September 2016 Financial Review

Dashboard Report: There are two minor corrections to the report. September 2015 had only 4 Sundays and the percent of pledge formula is incorrect. Attendance continues a downward trend while Live Stream participation ticks upward. Kathryn noted that Live Stream donations are minimal.
Some discussion ensued regarding the benefits of tracking who “attends” via Live Stream. Are these regular church members or viewers from beyond our community? Josh noted that the technology exists to track this.

This might be worth including in the annual church survey. Maryann will mention to the Communications Committee.

**Income Review**

- **Pledge Income**: $21,835 above budget for the month
- **Contributions**: $770 above budget for the month
- **Program Income**: $4,879 under budget (a reflection of timing.)
- **Rental Income**: $7,135 above budget for the month

Pledge Income collection continues to be strong. There was discussion that this might be a reflection of more and more congregants moving to automatic payment either through Bill-pay functions or auto-withdrawal functions.

**Expense Overview:**

<table>
<thead>
<tr>
<th></th>
<th>Month</th>
<th>YTD</th>
<th>Budget Month</th>
<th>Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$177,643</td>
<td>$483,309</td>
<td>$151,840</td>
<td>$426,874</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>-$172,846</td>
<td>-$505,690</td>
<td>-$181,593</td>
<td>-$532,969</td>
</tr>
<tr>
<td>Reserve Deposits</td>
<td>$4,001</td>
<td>$12,002</td>
<td>$4,001</td>
<td>$12,002</td>
</tr>
<tr>
<td>Investment</td>
<td>$132</td>
<td>$349</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Buchan Principal</td>
<td>-$3,397</td>
<td>-$10,332</td>
<td>-$3,542</td>
<td>-$10,625</td>
</tr>
<tr>
<td>Net Cash Effect</td>
<td>-$2,468</td>
<td>-$44,366</td>
<td>-$37,296</td>
<td>-$128,721</td>
</tr>
</tbody>
</table>

**Special Projects Expense Tracking:** Both the Monthly Operating Summary and the Year-To-Date Operating Summary reports have been revised to include “Special Projects” expense tracking. This was the recommendation of both the auditor and accountant.

**Social Justice Salary and the Budget:** Concerns were shared that some congregants are concerned that Kate Lore’s departure would result in a cut to the budget for Social Justice. Kathryn clarified that budgets are never
altered mid-year and that full funding would remain. For transparency sake, it was urged that Bill proactively state that plans are in the works for the church to carry forward its vital Social Justice work.

Ed volunteered to bring a reading for the September meeting.

**Adjourned**: The meeting adjourned at 6:00 PM.

**Submitted by**: Laura Milne
<table>
<thead>
<tr>
<th>Dept Fund Name</th>
<th>General Ledger Fund Balance</th>
<th>Change from Prior Month</th>
<th>General Ledger Fund Balance</th>
<th>1010 WF Business Checking</th>
<th>1011 WF Money Market</th>
<th>1012 UBS Investment</th>
<th>1035-10 WF SUI Deposit</th>
<th>1060 Federated &amp; Franklin</th>
<th>1060-42 Cash Savings (MJS Lecture)</th>
<th>1064-10 Wells Fargo Tax Rebate</th>
<th>On Point Anniversary</th>
<th>1015-10 Justice Begins At Home</th>
<th>1011-50 Slegers Music Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Cash for Operation</td>
<td>$95,367.17</td>
<td>(48,891.97)</td>
<td>$46,475.20</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Sub-Total Operating Fund | $77,594.33 | (28,025.13) | $49,569.20 | $49,133.31 | $341.89 | | | | | | | | | |

3412 Annual Operating Reserve | $54,026.04 | 4,000.50 | $58,026.54 | | | | | | | | | | |
3414 Major Donor Reserve Fund | $58,000.00 | | $58,000.00 | | | | | | | | | | |
3415 Sabbatical Reserve | $1,000.00 | | $1,000.00 | | | | | | | | | | |
3421 Special Projects Reserve | $1,898.86 | | $1,898.86 | | | | | | | | | | |
3430 Major Repairs & Equipment Reserve | $159,653.63 | | $159,653.63 | | | | | | | | | | |
3431 Safety Reserve | $140,235.22 | | $140,235.22 | | | | | | | | | | |

1012-10 Required Loan Reserve | $111,609.14 | 18.35 | $111,618.49 | | | | | | | | | | |
3424 Reserve Tax Rebate | $48,997.83 | | | | | | | | | | | | |

Sub-Total | $1,579,995.16 | $34,408.41 | (12,772.07) | $821,636.34 | $227,926.08 | 418,814.25 | | | | | | | |

30 General Capital | - | | | | | | | | | | | | |
34 Buchan Bldg Capital | $7,585.23 | 280.00 | $7,765.23 | $7,765.23 | | | | | | | | | |

Sub-Total Capital Funds | $7,585.23 | 280.00 | $7,765.23 | $7,765.23 | | | | | | | | | |

1011-40 Commemoration | $27,330.89 | 150.00 | $27,480.89 | | | | | | | | | | |
41 Messiah (Intern Minister) | $40,191.56 | 40.00 | $40,231.56 | $22,921.31 | | | | | | | | |
42 MJS Lecture Series | $109,400.70 | (28,23.1) | $109,403.87 | | | | | | | | | |
43 Heider-Dude (Women in Ministry) | $23,760.19 | 68.43 | $23,828.62 | $15,082.33 | | | | | | | | |
46 Anniversary | $14,765.19 | | | | | | | | | | | | |
50 Stipens Fund for Music Ministry | $30,032.52 | 1,136.71 | $31,169.23 | | | | | | | | | | |
1058-10 State Unemployment Insurance | $20,524.83 | 3.37 | | | | | | | | | | |

Sub-Total Restricted Funds | $235,099.57 | 212.79 | $235,312.36 | | | | | | | | | | |

Total All Funds | $1,557,557.74 | (40,388.41) | $1,517,169.33 | $284,844.62 | $835,549.67 | $20,524.83 | $20,524.83 | $27,105.54 | $109,403.47 | $14,765.19 | | |

Per Bank Rec. | $1,187,990.28 | (40,388.41) | $1,147,601.87 | $284,844.62 | $835,549.67 | $20,524.83 | $20,524.83 | $27,105.54 | $109,403.47 | $14,765.19 | | |

Net Change | $1,149,501.28 | (539,232.70) | | | | | | | | | | |

Purity Cash | 500.00 | 500.00 | | | | | | | | | | |

Operating Income | $1,149,001.28 | (539,232.70) | $1,149,257.56 | | | | | | | | | | |
First Unitarian Church  
Monthly Operating Summary  
9/30/2016

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL OPERATIONS CURRENT</th>
<th>ACTUAL OPERATIONS PREVIOUS</th>
<th>OPERATIONS MO to MO VARIANCE</th>
<th>BUDGET CURRENT MONTH</th>
<th>BUDGET VARIANCE</th>
</tr>
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<tbody>
<tr>
<td><strong>Church Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledge Income</td>
<td>117,454</td>
<td>90,534</td>
<td>26,920</td>
<td>95,619</td>
<td>21,835</td>
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<tr>
<td>Contributions</td>
<td>10,538</td>
<td>(123)</td>
<td>10,661</td>
<td>9,768</td>
<td>770</td>
</tr>
<tr>
<td>Program Income</td>
<td>10,734</td>
<td>3,221</td>
<td>7,513</td>
<td>15,613</td>
<td>(4,879)</td>
</tr>
<tr>
<td>Rental Income</td>
<td>35,717</td>
<td>40,228</td>
<td>(4,510)</td>
<td>28,582</td>
<td>7,135</td>
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<tr>
<td>Other Income</td>
<td>3,198</td>
<td>5,957</td>
<td>(2,759)</td>
<td>2,258</td>
<td>941</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>177,643</td>
<td>139,818</td>
<td>37,825</td>
<td>151,840</td>
<td>25,803</td>
</tr>
<tr>
<td><strong>Operating Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td>122,588</td>
<td>113,260</td>
<td>(9,329)</td>
<td>124,110</td>
<td>1,522</td>
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<tr>
<td>Occupancy Expense</td>
<td>17,166</td>
<td>26,268</td>
<td>9,102</td>
<td>20,976</td>
<td>3,810</td>
</tr>
<tr>
<td>Program Expense</td>
<td>22,993</td>
<td>14,026</td>
<td>(8,967)</td>
<td>24,226</td>
<td>1,233</td>
</tr>
<tr>
<td>Administration Expense</td>
<td>3,895</td>
<td>786</td>
<td>(3,108)</td>
<td>4,682</td>
<td>788</td>
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<tr>
<td>Interest Expense</td>
<td>5,490</td>
<td>5,503</td>
<td>13</td>
<td>5,347</td>
<td>(143)</td>
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<tr>
<td>Other Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>367</td>
<td>367</td>
</tr>
<tr>
<td><strong>Total Operating Costs</strong></td>
<td>172,846</td>
<td>162,122</td>
<td>(10,724)</td>
<td>181,593</td>
<td>8,748</td>
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<tr>
<td><strong>Net Church Operations</strong></td>
<td>4,797</td>
<td>(22,304)</td>
<td>27,102</td>
<td>(29,754)</td>
<td>34,551</td>
</tr>
<tr>
<td>Reserve Account Deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Annual Operating Reserve</td>
<td>4,001</td>
<td>4,001</td>
<td>-</td>
<td>4,001</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Reserve Deposits</strong></td>
<td>4,001</td>
<td>4,001</td>
<td>-</td>
<td>4,001</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Church Operations After Reserve Deposits</strong></td>
<td>797</td>
<td>(26,305)</td>
<td>27,102</td>
<td>(33,754)</td>
<td>34,551</td>
</tr>
<tr>
<td>Investment Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend &amp; Interest Income</td>
<td>132</td>
<td>108</td>
<td>(24)</td>
<td>-</td>
<td>132</td>
</tr>
<tr>
<td><strong>Net Investment Income (Loss)</strong></td>
<td>132</td>
<td>108</td>
<td>(24)</td>
<td>-</td>
<td>132</td>
</tr>
<tr>
<td><strong>Operating Surplus (Deficit)</strong></td>
<td>929</td>
<td>(26,197)</td>
<td>27,078</td>
<td>(33,754)</td>
<td>34,683</td>
</tr>
<tr>
<td>Buchan Principal Payment</td>
<td>3,397</td>
<td>3,384</td>
<td>13</td>
<td>3,542</td>
<td>(145)</td>
</tr>
<tr>
<td><strong>Net Cash Effect</strong></td>
<td>(2,468)</td>
<td>(29,581)</td>
<td>27,113</td>
<td>(37,296)</td>
<td>34,827</td>
</tr>
<tr>
<td>Special Project Funded</td>
<td>-</td>
<td>3,100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Net Cash Effect</strong></td>
<td>(2,468)</td>
<td>(26,481)</td>
<td>24,013</td>
<td>(37,296)</td>
<td>34,827</td>
</tr>
</tbody>
</table>
## CAMPAIGN MONTHLY TRACKING

### Pledge Drive Statistics

<table>
<thead>
<tr>
<th></th>
<th>2017 Campaign</th>
<th>2016 Campaign</th>
<th>2015 Campaign</th>
<th>2014 Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As Of</strong></td>
<td>09/30/16</td>
<td>09/30/15</td>
<td>09/30/14</td>
<td>08/30/13</td>
</tr>
<tr>
<td><strong>All Members--</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledge Goal</td>
<td>1,545,000</td>
<td>1,500,000</td>
<td>1,425,000</td>
<td>1,430,532</td>
</tr>
<tr>
<td>Pledges Received</td>
<td>4,100</td>
<td>11,160</td>
<td>500</td>
<td>53,640</td>
</tr>
<tr>
<td><strong>Justice Begins At Home</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Goal</td>
<td>0.27%</td>
<td>0.74%</td>
<td>0.04%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Pledging Households</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Average Pledge Received</td>
<td>820</td>
<td>1,860</td>
<td>500</td>
<td>4,126</td>
</tr>
<tr>
<td>Payments Received</td>
<td>3,400</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of Pledge</td>
<td>82.9%</td>
<td>17.9%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### Attendance

**For the month (in sanctuary + livestream)**  
<table>
<thead>
<tr>
<th></th>
<th>Sep '16</th>
<th>Sep '15</th>
<th>'Sep '14</th>
<th>Sep'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total LiveStream (included above)</td>
<td>2,800</td>
<td>3,190</td>
<td>-12.23%</td>
<td>3,206</td>
</tr>
<tr>
<td>Total for the Fiscal Year</td>
<td>4,600</td>
<td>5,270</td>
<td>-12.71%</td>
<td>5,156</td>
</tr>
<tr>
<td>Average per Sunday for month</td>
<td>700</td>
<td>798</td>
<td>-12.23%</td>
<td>802</td>
</tr>
<tr>
<td>Average per Sunday YTD</td>
<td>354</td>
<td>405</td>
<td>-12.71%</td>
<td>397</td>
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<tr>
<td><strong>= 5-Sunday month</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### New Members

**Jul '16 - Jun '17**  
Enrolled: 9 (-52.63%)  
Number of Pledges Received: 8 (-38.46%)  
Total Amount of Pledges Received: 1,740 (-78.29%)  
Average Pledge: 218 (-64.72%)  

** Jul '15 - Jun '16**  
Enrolled: 19  
Number of Pledges Received: 13  
Total Amount of Pledges Received: 8,014  
Average Pledge: 616  

### Plate Contributions

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>2,694</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>2,394</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td>3,966</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Recipient(s)**  
Portland Animal Welfare  
Enlace; Ecumenical Min of OR  
JOIN  
Fiscal YTD: 9,054
<table>
<thead>
<tr>
<th>General Ledger</th>
<th>1010 WF Business Checking</th>
<th>1011 WF Money Market</th>
<th>1020 UBS Investment</th>
<th>1035-10 WF SUI Deposit</th>
<th>1060 Federated &amp; Franklin</th>
<th>1012-10 Wells Fargo HYS</th>
<th>1060-42 Chas Schwab (MJS Lecture)</th>
<th>1014-10 Wells Fargo Tax Rebate</th>
<th>On Point Anniversary</th>
<th>1015-10 Justice Begins At Home</th>
<th>1011-50 Slegers Music Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance</td>
<td>49,475.20</td>
<td>49,133.31</td>
<td>341.89</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>58,026.54</td>
<td>58,026.54</td>
<td>58,000.00</td>
<td>1,000.00</td>
<td>1,898.86</td>
<td>159,653.63</td>
<td>140,235.22</td>
<td>111,618.49</td>
<td>-</td>
<td>48,997.83</td>
<td>14,279.69</td>
<td>48,997.83</td>
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<tr>
<td>227,926.08</td>
<td>227,926.08</td>
<td>418,814.25</td>
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<td>-</td>
<td>14,279.69</td>
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<td>7,785.23</td>
<td>7,785.23</td>
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<tr>
<td>27,489.89</td>
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<tr>
<td>40,231.56</td>
<td>22,921.31</td>
<td>17,310.25</td>
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<td>109,403.47</td>
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<tr>
<td>25,857.62</td>
<td>15,982.33</td>
<td>9,875.29</td>
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<td>14,765.19</td>
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</tr>
<tr>
<td>31,588.23</td>
<td>-</td>
<td>31,588.23</td>
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</tr>
<tr>
<td>20,524.83</td>
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<tr>
<td>238,272.56</td>
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<td>66,393.53</td>
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<td>27,185.54</td>
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<td>109,403.47</td>
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<td>14,765.19</td>
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<tr>
<td>1,117,169.33</td>
<td>284,844.62</td>
<td>485,549.67</td>
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<td>20,524.83</td>
<td>27,185.54</td>
<td>111,618.49</td>
<td>109,403.47</td>
<td>48,997.83</td>
<td>14,765.19</td>
<td>14,279.69</td>
<td>31,588.23</td>
</tr>
<tr>
<td>$1,148,757.56</td>
<td>$284,844.62</td>
<td>$485,549.67</td>
<td>-</td>
<td>20,524.83</td>
<td>27,185.54</td>
<td>111,618.49</td>
<td>109,403.47</td>
<td>48,997.83</td>
<td>$14,765.19</td>
<td>14,279.69</td>
<td>$31,588.23</td>
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<tr>
<td>500.00</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$1,149,257.56</td>
<td>-</td>
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</tr>
</tbody>
</table>

Ending Balance

$1,149,257.56
## First Unitarian Church

### Statement of Cash Flows

For the Month Ending 9/30/2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash &amp; Equivalents Balance</strong></td>
<td>1,188,490.26</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
</tr>
<tr>
<td>Pledges &amp; Contributions Received</td>
<td>127,992.63</td>
</tr>
<tr>
<td>Events/Weddings/Memorials</td>
<td>2,547.50</td>
</tr>
<tr>
<td>Rents Received</td>
<td>33,169.98</td>
</tr>
<tr>
<td>Program Receipts</td>
<td>17,365.29</td>
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<tr>
<td>Special Events</td>
<td>148.00</td>
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<tr>
<td>Miscellaneous Receipts</td>
<td>2,031.54</td>
</tr>
<tr>
<td>Interest/Gain-Loss on Investments</td>
<td>144.61</td>
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<tr>
<td>Increase/Decrease Accounts Receivable</td>
<td>71.50</td>
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<tr>
<td>Restricted Fund Receipts</td>
<td>195.00</td>
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<tr>
<td>Buchan Building Receipts</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>183,866.05</strong></td>
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<tr>
<td><strong>Payments</strong></td>
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</tr>
<tr>
<td>Payroll/Taxes/Benefits</td>
<td>(122,588.31)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(41,390.19)</td>
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<tr>
<td>Program Expenses</td>
<td>(30,374.73)</td>
</tr>
<tr>
<td>Increase/Decrease Prepaid Expenses</td>
<td>194.74</td>
</tr>
<tr>
<td>Acquisition of Property &amp; Equipment</td>
<td>380.00</td>
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<tr>
<td>Increase/Decrease Accounts Payable</td>
<td>(25,837.93)</td>
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<tr>
<td>Miscellaneous Expenses</td>
<td>(84.94)</td>
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<tr>
<td>Wells Fargo Buchan Building Loan</td>
<td>(3,397.39)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td><strong>(223,098.75)</strong></td>
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<tr>
<td><strong>Net Cash In/(Out)</strong></td>
<td>(39,232.70)</td>
</tr>
<tr>
<td><strong>Ending Cash &amp; Equivalents Balance</strong></td>
<td>1,149,257.56</td>
</tr>
</tbody>
</table>
# First Unitarian Church
## Balance Sheet
### Operating Fund
#### 9/30/2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
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</tr>
<tr>
<td>Petty Cash</td>
<td>500.00</td>
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<tr>
<td>Wells Fargo Checking</td>
<td>284,844.62</td>
</tr>
<tr>
<td>Wells Fargo Money Market</td>
<td>485,549.67</td>
</tr>
<tr>
<td>Wells Fargo Required Loan Reserve</td>
<td>111,618.49</td>
</tr>
<tr>
<td>Wells Fargo Tax Rebate</td>
<td>48,997.83</td>
</tr>
<tr>
<td>Wells Fargo Justice Begins at Home</td>
<td>14,279.69</td>
</tr>
<tr>
<td>OnPoint Anniversary</td>
<td>14,765.19</td>
</tr>
<tr>
<td>Sleger's Fund for Music Ministry</td>
<td>31,588.23</td>
</tr>
<tr>
<td>Wells Fargo MM SUI</td>
<td>20,524.83</td>
</tr>
<tr>
<td>Investments</td>
<td>136,589.01</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td>1,149,257.56</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
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</tr>
<tr>
<td>Prepaid Expenses</td>
<td>8,766.80</td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>6,477.96</td>
</tr>
<tr>
<td>Accounts Receivable Events/Weddings</td>
<td>13,802.71</td>
</tr>
<tr>
<td>Accounts Receivable Prop Rent</td>
<td>2,405.56</td>
</tr>
<tr>
<td>Pledges Receivable Pledges</td>
<td>821,393.17</td>
</tr>
<tr>
<td>Pledge Receivable Allowance Uncollect</td>
<td>(129,601.81)</td>
</tr>
<tr>
<td>Bookstore Inventory</td>
<td>17,282.00</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,889,783.95</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Furniture &amp; Equipment</td>
<td>522,081.56</td>
</tr>
<tr>
<td>Property 1011 SW 12th</td>
<td>1,070,285.58</td>
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<tr>
<td>Property 1211 SW Main St. Sanctuary</td>
<td>758,685.24</td>
</tr>
<tr>
<td>Property SW Salmon</td>
<td>6,993,838.75</td>
</tr>
<tr>
<td>Property 1030 SW 13th House</td>
<td>28,000.00</td>
</tr>
<tr>
<td>Property 1126 32 SW 13th Outside In</td>
<td>332,755.00</td>
</tr>
<tr>
<td>Property 1034 SW Main Office</td>
<td>483,545.50</td>
</tr>
<tr>
<td>Improvements</td>
<td>1,804,191.83</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(4,346,670.85)</td>
</tr>
<tr>
<td>Lease Origination Costs</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Accumulated Amortization</td>
<td>(3,896.00)</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>7,657,816.61</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
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</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>9,547,600.56</td>
</tr>
<tr>
<td>LIABILITIES &amp; FUND BALANCES</td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>3,850.81</td>
</tr>
<tr>
<td>Accounts Payable Fundraisers</td>
<td>165.00</td>
</tr>
<tr>
<td>Accounts Payable Foundation</td>
<td>(57.93)</td>
</tr>
<tr>
<td>Events/Weddings/Memorials Clearing</td>
<td>19,003.64</td>
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<tr>
<td>Accrued Vacation</td>
<td>59,730.97</td>
</tr>
<tr>
<td>WB Fund Payable</td>
<td>285.94</td>
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<tr>
<td>Pension W/H</td>
<td>(1,499.89)</td>
</tr>
<tr>
<td>Section 125 W/H Health Benefits</td>
<td>(8.10)</td>
</tr>
<tr>
<td>Payroll Clearing Account</td>
<td>0.77</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>81,471.21</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Long Term Liabilities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Buchan Building Loan</td>
</tr>
<tr>
<td>Deferred Lease Revenue</td>
</tr>
</tbody>
</table>

**Total Liabilities** 1,971,624.83

<table>
<thead>
<tr>
<th><strong>Fund Balances</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Equity Operating</td>
</tr>
<tr>
<td>Fund Equity General Capital</td>
</tr>
<tr>
<td>Fund Equity Salmon Street</td>
</tr>
<tr>
<td>Fund Equity Buchan Building</td>
</tr>
<tr>
<td>Fund Equity Commemoration</td>
</tr>
<tr>
<td>Fund Equity</td>
</tr>
<tr>
<td>Fund Equity MJS Lecture Series</td>
</tr>
<tr>
<td>Fund Equity Hessler Deale</td>
</tr>
<tr>
<td>Fund Equity Hollingsworth Anniversary</td>
</tr>
<tr>
<td>Fund Equity Program Designate</td>
</tr>
<tr>
<td>Fund Equity Mark Sleger’s Fund for Music</td>
</tr>
<tr>
<td>Fund Equity Pledges</td>
</tr>
<tr>
<td>Reserved Funds</td>
</tr>
<tr>
<td>Profit (Loss) Year to Date</td>
</tr>
<tr>
<td>Unrealized Gains (Losses)</td>
</tr>
</tbody>
</table>

**Total Fund Balance** 7,575,975.73

**TOTAL LIABILITIES AND FUND BALANCES** 9,547,600.56
First Unitarian Church

Notes to Financials - September 2016

OPERATING INCOME

Pledge Income  well above budget for the month & YTD
Contributions  above budget for the month but under for YTD
Program Income  below budget

Art wall  1,018
Parking  1,916
AP Classes  1,609
Choir Retreat  2,510
Scrip  3,315

Rental Income

Tenants  26,533
Events  6,036
Other Income

Sexton fees from events  3,050

OPERATING COSTS

Payroll  only 1,522 below budget for month
YTD average - from Jul/Aug

**no payments to intern minister, a couple of music staff, unfilled rental support, 1 unfilled sexton
position, less CRE

Occupancy  *YTD total includes 23,555 special proj exp

Utilities  5,748

*Contract services  1,983

Program Expenses

*Website Upgrade  2,800
Professional Exp Ministry  2,418
*Professional Exp Music  2,304
Program Exp Social

Justice  1,197

Scrip  3,219

DASHBOARD

New members  2
New pledges received  2
<table>
<thead>
<tr>
<th>Plate recipient</th>
<th>JOIN</th>
</tr>
</thead>
</table>

**CASH/SECURITIES BALANCE**

<table>
<thead>
<tr>
<th>Commemoration</th>
<th>donations received in memory of deceased members 150</th>
</tr>
</thead>
<tbody>
<tr>
<td>MJS Lecture</td>
<td>investment loss (96)</td>
</tr>
<tr>
<td>Anniversary</td>
<td>Cumfer’s book sale; interest 21</td>
</tr>
<tr>
<td>Sleger’s Fund</td>
<td>contributions received 1,156</td>
</tr>
<tr>
<td>Program Designated</td>
<td><strong>below are the major transactions</strong></td>
</tr>
<tr>
<td></td>
<td>shelter annual expenses (17,635)</td>
</tr>
<tr>
<td></td>
<td>cuba ayuuda outreach (1,605)</td>
</tr>
<tr>
<td></td>
<td>children’s mosaic project exp (945)</td>
</tr>
<tr>
<td></td>
<td>alliance expenses (1,181)</td>
</tr>
<tr>
<td></td>
<td>shelter receipts 2,351</td>
</tr>
<tr>
<td></td>
<td>alliance receipts 1,992</td>
</tr>
<tr>
<td></td>
<td>donation from cumfer from book award 1,000</td>
</tr>
</tbody>
</table>

**ADDITIONAL INFO**

<table>
<thead>
<tr>
<th>Auction Balance</th>
<th>in Program Designated 85,071</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 Auction project (classroom HVAC) pending (45,000)</td>
</tr>
<tr>
<td></td>
<td>2015 Auction (exterior project) still outstanding (33,178)</td>
</tr>
</tbody>
</table>