

## Governance Policy Revisions or Issues for Finance Committee Review, Oct, 2008

From: Gov WG, 22 Sept 2008

### Initials used below:

DB: Dan Brody

SS: Susan Stratton

GovWG: Governance WG

### Change #F1 Clarifying and simplifying language

#### 2.7 POLICY TITLE: *FINANCIAL PLANNING and BUDGETING*

Financial planning shall not:

- A. Deviate materially from the Shared Vision (Ends),
- B. Compromise fiscal prudence or integrity, or
- C. Fail to develop a ~~multi-year~~ **longer range** plan that reflects both the financial and spiritual dimensions of our stewardship.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to present at the Board of Trustees' April meeting:
  - a. A balanced operating budget ~~based on reasonable planning assumptions,~~ **{SS: the planning assumptions should be documented by the staff as part of their interpretation. Board will then assess compliance.}** including projections of revenue and expenses for the fiscal year beginning on July 1, ~~for approval by the Board.~~ **{SS: if the Board "approves" the budget, then it is the Board's budget, and not the staff's. Board will monitor and evaluate the budget.}** **{DB: The budget must include revenue and expenses projections for each budget section, including current operations, congregational loans, Beacon Press, General Assembly, and the UU Common Endowment Fund.}**

#### **{With all the changes proposed, this would now read:}**

A balanced operating budget, including projections of revenue and expenses for the fiscal year beginning on July 1. The budget must include revenue and expenses projections for each budget section, including current operations, congregational loans, Beacon Press, General Assembly, and the UU Common Endowment Fund.

- b. A capital budget for the fiscal year beginning on July 1, ~~based on reasonable financing and depreciation assumptions.~~
- c. A proposed operating budget for the following fiscal year, which will be received by the Board as information.

**Change #F2 Whose gift policy?**

**2.8 POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES**

The President shall not cause or allow situations that would jeopardize the Association's fiscal health or alignment with the Shared Vision (Ends).

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

13. Fail to establish a gift acceptance and disposal policy.

*{DB asks if Board should adopt a gift policy, rather than President.}*

*{GovWG response: President should provide interpretation of this Policy, which Board then accepts or declines. Hence, leave language as it is.}*

*{GovWG related question: Should the Board, in Section 3, have its own "gift policy" which relates specifically to Trustees? See proposal in 3.3.2.D}*

**Issue #F3 Breadth of language? Sufficient reach of policy?**

**2.10 POLICY TITLE: ASSET PROTECTION**

The President shall not allow the Association's tangible, intangible and intellectual assets to be unprotected from undue risk or to be inadequately maintained.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

- 2.10.7 Fail to establish and implement:

- a. Safety and ethics policies applying to UUA sponsored events and conferences.
- b. Safety and ethics policies applying to professional staff and volunteers acting on behalf of the Association, and religious professionals credentialed by the Association.

*{DB proposes moving all of 2.10.7 into Personnel Policies 2.3.1}*

*{Gov WG concern is that "personnel" is not broad enough to cover the intent of this section which includes "tangible, intangible and intellectual assets", and recommends retaining 2.10.7. Board or Fin Committee deliberation needed.}*

*{Note that DB again raises the critical question of the relationship of religious professionals to staff, MFC and Board. q.v. 2.1.5. Needs deep deliberation.}*

#### **Change #F4 Audit Committee questions**

### **3.2 POLICY TITLE: BOARD JOB DESCRIPTION**

As informed and elected leaders of our Association of member congregations, the UUA Board of Trustees assures organizational performance by creating, communicating, and monitoring organizational systems and performance, in accord with established Board policy.

Accordingly, the Board has responsibility to:

3.2.4 ~~Obtain~~ **Receive** an annual audit of the Association's financial reports by a certified public accounting firm with experience conducting audits of organizations of comparable size.

**{GovWG:}** Obtaining or receiving an audit is seen as Board responsibility, not staff. Do we have agreement on this?}

**{DB recommends:}** Receive (rather than obtaining) the report of the annual audit.}  
**{GovWG:}** it is not clear what intent Dan is after with this change.}

#### **Issue #F5 Role of Finance Committee, if any, in new governance model?**

The Finance Committee needs to decide how it will function in the new governance model, and present their proposal to the Board and the Audit Committee.

Where does the staff work in the finance area end?

Does the Board still need a Finance Committee to do its (the Board's) job? If so, what exactly does it need from the Committee?