



This is a quick Primer on FUUSN Governance – the way it is supposed to work.

We cover a quick review of how we got to this model

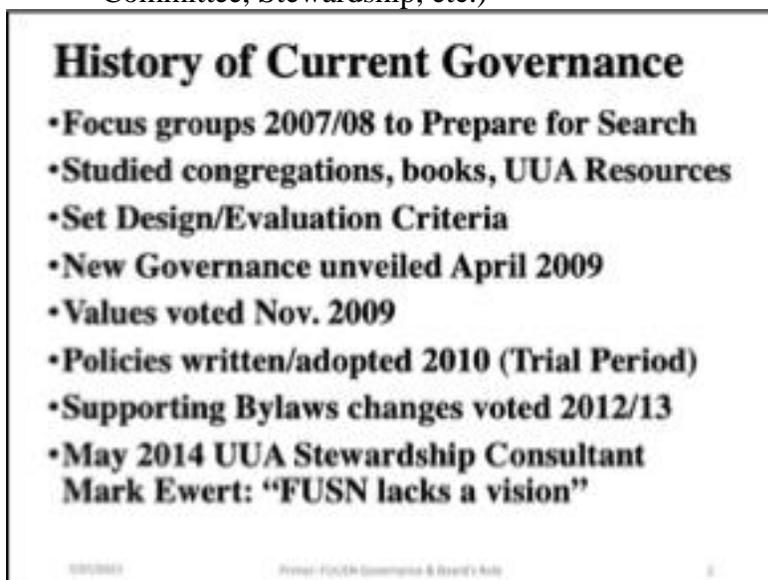
The evaluation /selection criteria we used for the model

The basic components of the model showing relationships between Congregation, Minister, Paid Staff, Board, Moderator, and Ops Council

How “purpose”, values & Congregational Priorities keep everyone’s efforts aligned

Then we dive into the role of the key players End with a Q&A session.

Our short time frame (one hour) does not allow us to address all the important committees upon which FUUSN depends (such as , for example, the Board of Investment, Finance Committee, Stewardship, etc.)



The Governance Committee was formed in 2007 to help the Board define and implement a new model of governance in preparation to calling a new minister. The Rev John Nichols, our two-year interim minister, provided helpful counsel.

The Governance Committee helped the board launch the new model in April 2009 to a trial period when it would be evaluated through several years of use.

In 2012/13 the new model was formally adopted and the needed Bylaws changes were made to show the Operations Council role and to change the size of the Board of Trustees among other things.

However, FUUSN never quite got around to finalizing its vision work (its Congregational Priorities) and in 2014 a stewardship consultant noted “FUSN lacks a vision” – a serious criticism since people give money based on a compelling vision.

### **Evaluation/Selection Criteria**

- 1 Clarify roles and responsibilities**
- 2 Change BOT focus from operations to strategy**
- 3 Effective operations**
- 4 Culture of ownership by the congregation**
- 5 Doesn't rely on one person to succeed**
- 6 Sustainable over time**

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These were developed by the Board of Trustees as a group after digesting all the focus group feedback from the Governance Committee.

#1 addresses the desire to limit power struggles arising from unclear roles (e.g. a Board Chair trying to be CEO and Chief of Staff while the minister is also vying for Chief of Staff)

#2 is critical since past boards never had time for planning since their agenda was consumed with reports from committees and operational detail like paint/rug color or \$100 budget line items.

#5 is especially important since the old “CEO” style of board chair role burned out many people.

#6 is especially important given that lay leadership is voluntary and turns over periodically.

## **A Board Should Be Good At\*:**

- Delegating
- Controlling its own agenda
- Partnering with the minister
- Hosting future-oriented conversations

\* Congregational Consultant Dan Hotchkiss May 16, 2016

10/10/2011

Power: FUUSN Governance & Board's Role

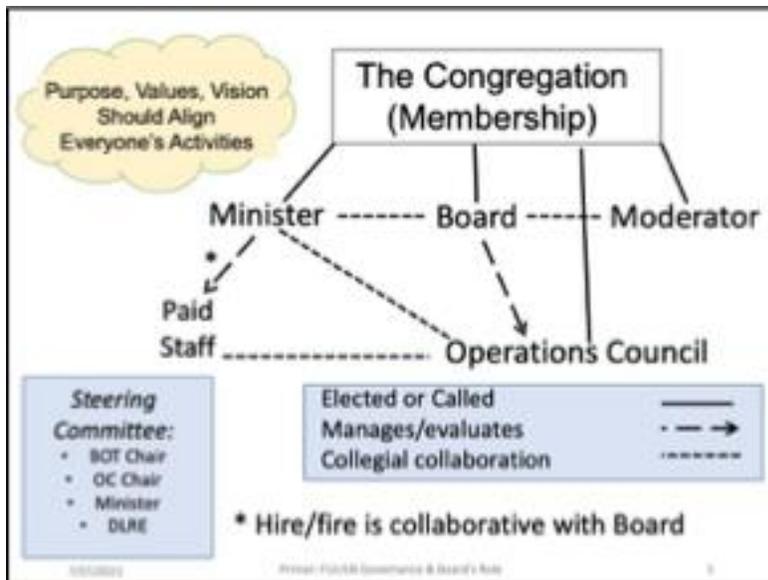
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FUUSN is governed differently from other organizations – corporations, non-profits, academic institutions etc. – there is no CEO and relatively little hierarchy at FUUSN. Religious Values apply (and UU Principles especially, e.g. democratic process), but so do many MA Laws (CORI etc.)

A Board needs to control its agenda and delegate or it will never have time for the planning and future-oriented work it needs to do. At the same time it needs to partner carefully with the minister who may be close to the membership and have much information regarding congregational needs that will be helpful in Board deliberations.

The board needs to be in deep communication with the congregation's membership regarding needs and desires (well-being), while also educating themselves on trends in the outside world (financial, volunteer, social, spiritual, etc.) so that they can craft a future vision (i.e. Congregational Priorities). The board will always know more than individual congregational members, and they should explain any vision (i.e. Congregational Priorities) clearly so that any reasonable member of the congregation would understand and support it, and trust the board enough to believe that they would arrive at the same vision if they knew everything the board knew.

The board needs to foster transparency and clear communication to educate the congregation about vision and performance.



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FUUSN's model splits big-picture/future oriented planning and leadership from day-to-day management by assigning an Ops Council to do that day-to-day management, leaving the Board free to engage in the future-oriented dialogues with the congregation and for planning.

The congregation elects the Board and the Moderator (majority rule) and the Moderator appoints a Nominating Committee that acts independently of all other officers.

The congregation "Calls" the Minister (usually the vote must be overwhelming such as 95-100% for the minister to accept the call)

The congregation elects the OC members (3 yr terms)

OC oversees operations and committees and activities in six areas: Worship, Education, Fellowship, Stewardship, Outreach, Fundamentals/Administration

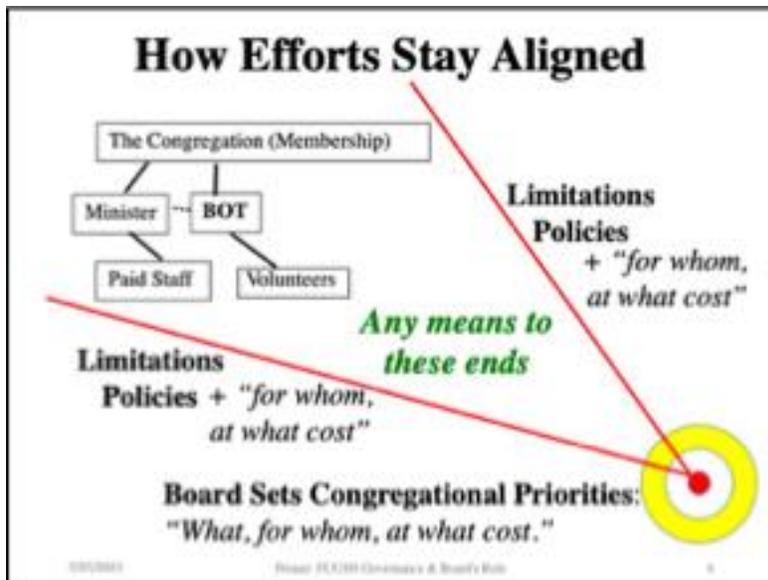
Paid staff are Hired/fired by Board & Minister using consensus model, but the Minister is Chief of Staff and does all supervision/evaluation.

BYLAWS (BOT and OC members may be removed for incapacitation or "good cause": Article V Section 1 - ...A Trustee may be removed by vote of at least five members of the entire Board of Trustees at a meeting at which at least five members of the entire Board is present if in the opinion of the Board such trustee is incapacitated or unable to carry out the duties of the office or otherwise for good cause.

Article VI Section 1 - OC members may be removed by a 3/4 vote of the entire Board of Trustees at a meeting at which not less than three- fourths of the entire Board is present if in the opinion of the Board such Council Member is incapacitated or unable to carry out the duties of the office or otherwise for good cause.

SECTION 2. Under the authority of the Board of Trustees and through the various policy documents of the Society, the Operations Council shall work in

Primer on FUUSN Governance & Board's Role 7/27/2021 partnership with the staff, and generally oversee committees and operations.



FUUSN Bylaws are like the US Constitution

Our Governing Policies and Limitations Policies are like Federal Laws, but MUCH shorter and more "*permission-giving*" (e.g. Limitations are set at a VERY high level, basically saying don't do anything illegal, immoral or unethical; they are the guiderails keeping activities focused on the priorities).

"Congregational Priorities" are specially worded statements of Vision (the target at which all efforts are aimed) that focus everyone's efforts in a special way that facilitates accountability via measurement by adding "for whom and at what cost" to a concrete vision of a long-term end-state.

The original governance changes in 2009-2013 decided to use the Bylaws "Purpose" as a high-level vision, FUUSN still lacks Congregational Priorities, but at a 2018 April Board meeting our minister said her focus and FUUSN's focus next year should be on long term planning (considering everything including even building and our location)

The Governance Policies are about 17 pages long (they were crafted to avoid bureaucracy).

Operations Council Policies are also short and to the point. The model is a "permission giving" one that allows individuals and committees to use any means to achieve the Congregations Priorities as long as they stay within the "cone" defined by policy.

So – *minister, staff and lay people are allowed to do ANYTHING as long as they stay within the guiderails imposed by the limitations policies and a "reasonable person" could see that their actions are targeting the Congregational Priorities.*

**FUUSN Core Values**

- Spiritual growth
- Community connection
- The inherent worth of every individual
- Social justice
- Open-mindedness
- Education

*Voted Nov. 2009*

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As stated on our website:

Our Core Values:

- spiritual growth
- community connection
- the inherent worth of every individual
- social justice
- open-mindedness
- Education

These align nicely with our Bylaws Article II Purpose: *“We come together in an open community that honors freedom of belief, to encourage spiritual growth in ourselves and our children, to share the wisdom of many religious traditions, with reverence for the earth and in service to humanity.”*

NOTE: at the time of the work done to explore FUUSN’s Values and Vision (multiple congregational meetings involving over 120 members), a short vision statement was also put forward. It was later rejected in favor of keeping only the purpose as written in the Bylaws as a vision.

## **Role of the Board Members**

- **Trustees with a Fiduciary Duty**
- **Future-focused, Strategic, Policy**
- **Assure accountability / performance**
- **Bylaws & Policies spell out (e.g.):**
  - Job description (acts and speaks as one)
  - Task Schedule
  - Chair's Role (facilitates agenda/meetings, signs)
  - Vice Chair's Role (Chief Governance Officer)
  - Code of conduct

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Principles of Governance & Board's Role

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Future-focused, long-range planning – dialogs with the congregation to learn its needs, watches outside trends (e.g., volunteering, spiritual/ social action issues, legal and economic trends etc.) to craft “Congregational Priorities”, a type of concrete vision with added pieces like “for whom at what cost”).

Assures entities are held accountable (via a reporting schedule for these entities mentioned in the Policies) & evaluates its own performance, the BOI performance, and the Ops Council; and Board assures that the congregation evaluates its minister's performance and its own part in that shared ministry via a Committee on Ministry.

Existing Governance Policies spell out:

Governing Style (collegial body, speaks with one voice, etc.)

Job description

Task Schedule – annually appoint Chairs for key committees (as per Bylaws) Finance, Buildings & Grounds, Religious Education Council, etc.

Chair's Role is Chief Administrative Officer (NOT CEO) Bylaws Article IX Section 2.

Vice Chair's Role – Chief Governance Officer (to handle complaints and issues regarding governance)

Code of conduct

Board Committee Principles

Cost of Governance (Manage costs and invest in Board development)

Bylaws Article V Section 1 - ...A Trustee may be removed by vote of at least five members of the entire Board of Trustees at a meeting at which at least five members of the entire Board is present if in the opinion of the Board such trustee is incapacitated or unable to carry out the duties of the office or otherwise for good cause.

## A Trustee\*

- ***A trustee is a person or firm that holds and administers property or assets for the benefit of a third party.*** A trustee may be appointed for a wide variety of purposes, such as... for a charity... ***Trustees are trusted to make decisions in the beneficiary's best interests and often have a fiduciary responsibility ...***

\* Definition from: Investopedia.com

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To get started, let's establish some clear definitions – (read slide)

Our Bylaws call you “trustees” and nowhere in the Bylaws does the word “Fiduciary” appear.

A second definition is helpful because trustees do have fiduciary duties.

## A Fiduciary\*

- “A fiduciary is someone who manages money or property for someone else. When you are named a fiduciary, you are required by law to manage the person's money and property for his or her benefit, not yours.”
- “... a fiduciary ... owes to another the duties of good faith and trust. The highest legal duty of one party to another, it also involves being bound ethically to act in the other's best interests. A fiduciary might be responsible for general well-being, but often it involves finances – managing the assets of another person, or of a group of people, for example. Money managers, ..., board members, and corporate officers can all be considered fiduciaries.” \*Definition from: Investopedia.com

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Fiduciaries manage on behalf of someone else (like a trustee), and the word has legal implications. You'll need to consult a lawyer if you want to know why one is used and not the other in our Bylaws. NOTE -there are two items a fiduciary might be responsible – one is intangible (well being) and the other more tangible (financial)

A fiduciary might be responsible for general well-being, but often it involves finances as it does in FUSN's case. \*Definition from: Investopedia.com

At FUUSN a Fiduciary's Liabilities are covered by a “General Liability and Directors and Officers Liability Insurance” policy. FUUSN's policy covers ***Good Faith Efforts, not negligence.*** Good faith efforts -- reasonable efforts to understand the congregation's needs related to well-being

NOTES: Bylaws Article V Sec 10 – Trustees are supposed to be covered by “General Liability and Directors and Officers Liability Insurance policy.

Article VI Sec 5 – same for the Ops Council

Article IX Sec 8&9 – treasurer and assistant treasurer to be covered by a “Fidelity Bond”\*

Article V Section 8 - The Board of Trustees shall form a Financial Oversight Committee comprised of at least one member of the Board of Trustees and at least two other members of the congregation to monitor the establishment and implementation of financial policies and internal controls for the Society

***BOI is NOT covered by insurance or a fidelity bond, but is exempted in the Bylaws*** – Article VIII SECTION 7. The members of the Board of Investment in performing their duties, including without limitation their duties in investing and reinvesting funds transferred to them, shall only be liable for their own bad faith, and no member of the Board of Investment shall be responsible for or liable on account of any act or failure to act of any other member of the Board of Investment.

\*“A form of [business insurance](#) that offers an employer protection against losses - either monetary or physical - caused by its employees' fraudulent or dishonest actions. .... It is also known as an "honesty bond.”” source: investopedia.com

### **Role of the Operations Council**

- Manages day-to-day operations
- Develops and manages the budget
- Partners with minister & paid staff
- Coordinates committees
- Coordinates fund raising

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Empowered to make all operating decisions – it is where the “rubber meets the road”. The OC develops the budget and manages its expenditures, including overspending the budget by a certain % if need be (see policies for exact amount).

It oversees all non-Board committees and liaises with them to assure focus on Congregational Priorities. It makes sure that fund raising efforts do not compete with each other and that they abide by Policy (e.g. no mingling with people & collaring them at coffee hour and begging for money – must be done from an approved table at the edge)

**From existing FUUSN Governing Policies 2.4:**

*Reports to BOT* - Submit the following information required by the BOT in a timely, accurate, and understandable fashion. The information should directly address provisions of the Board policies that are being monitored.

Annual report (May) on progress towards Congregational Priorities.

Annual report (May) on priorities for upcoming year.

Quarterly report (summary level) on key topics, major delegated decisions, and membership statistics

Periodic report on topics of particular concern as requested by the BOT

Periodic financial reports for FUSN's operating budget as noted in Section 5 – Financial Planning, Budgeting, and Monitoring including:

- Annual budget request for the next fiscal year (May)
- Annual multi-year (three to five years) projection (December or January)
- Semi-annual report of Statement of Funds Balances and Statement of Financial Condition and issues (March and August)

Quarterly report on a timely basis to the BOT on the status of year-to-date spending against budget by FUSN account, year-end forecast, and major issues of potential interest to the BOT.

OC minutes shall be sent in advance of publication to BOT

**Role of the Minister**

- Ministers to the congregation
- Partners with the Board, Ops Council
- “Chief of staff” (manages paid staff)
- Accountable to the congregation and the UUMA Guidelines
- Abides by written contract

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A Minister ministers to the congregation (pastoral care, Sunday Services and sermons, spiritual engagement and direction etc.) and in a congregation as large as FUUSN (over 400 members) may focus on ministering to the lay leaders and use surrogates to provide ministry to others to avoid becoming burned out.

From Existing Governance Policies: The Chief of Staff (Minister) shall ensure that FUSN's staff, including the minister, comply with the Limitations Policies, Congregational Priorities, the Ministerial Contract, and this document as it relates to conditions, practices, activities, and decisions.

In addition the Minister shall (according to Policies):

**1.1**

*BOT Agenda Topics* - Supply for the BOT agenda all items required by law, contract, or by- laws to be Board approved that have been delegated to the Minister.

**1.2**

*Policy Non-Compliance by BOT and/or OC* – Advise the Board if, in the opinion of the Minister, the BOT or OC is not in compliance with its own policies on governance

process, particularly in the case of BOT or OC behavior that is detrimental to the relationship between the BOT or OC and the Minister.

### 1.3

*Meetings with Paid Staff* - Work with the Board in planning and convening all meetings involving the BOT and paid staff except where a paid staff member requests access to the BOT on a confidential basis in accordance with the established grievance process.

### 1.4

*Staff Evaluations* – Conduct timely staff performance appraisals according to the Personnel Policy Committee policies approved by the BOT.

Additionally UU ministers are bound by the UU Ministers Association (UUMA) code of conduct and ethics and the UUMA offers “Good Officers” (ministers of special capability) to help mediate problems between ministers and boards when invited to do so.

## The Steering Committee

- *Chairs of Board & Ops Council plus Minister & DLRE*
- Routes ad hoc issues
- Makes NO decisions
- Provides agility (convenes as needed)
- Can provide institutional memory (precedent, if known)

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*Chairs of Board & OC plus Minister & DLRE*, meets as needed or monthly.

Can help surface agenda items for BOT and OC, but each body controls its own agenda.

Routes ad hoc issues to correct entity (board, OC, committee, etc.) or staff members, or directs folks to established policies

Makes NO decisions (has no authority to make any)

Provides agility (convenes as needed)

Can provide institutional memory (precedent, if known)

E.G. When the congregation learned that Santander Bank planned to sell and the new owner would not necessarily honor our parking lots arrangements, the SC met to determine what sorts of efforts needed to be marshalled to address the issue and routed the info to the appropriate parties.

# Q & A

## What's Your Unanswered Question?

## Extras – As Needed

- Types of Policies and how they act as levers and linkages
- List of Policies on FUUSN's website
- Sample Congregational Priorities
- More in-depth material about history

## Governance Levers & Linkages

- Trustees write/approve 4 types of policies:
  - **Congregational Priorities** (to provide a common focus for all on "what, for whom, at what cost" FUUSN should be doing)
  - **Governing policies** (the Board of Trustees, staff, and Operations Council's roles & responsibilities)
  - **Limitations Policies** (restrictions on staff and volunteers involved in operations)
  - **Reporting Policies** (when & how the staff & volunteers report operations status and results to the Board of Trustees)
- **Operations Council & staff write periodic reports** (documenting their progress towards Congregational Priorities, and their compliance with the restrictions stated in the Limitations Policies.)

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## Policies on Website 4/29/2018

2010-01 Policy and Information Issuances	2010-14 Newsletter and Order of Service Submissions
2010-02 FUUSN List Policies	2010-15 Announcements During Coffee Hour
2010-03 Media Release Policy and Form	2010-16 Reserving Space
2010-04 Cancellation of Services	2011-17 Key Policy
2010-05 Written Information Security Plan	2012-18 Policy on the Use of Sanctuary Space
2010-06 Fundraising Policy	2012-19 Use of FUUSN Space for Advertising
2010-07 Website Policy	2012-20 Rental for Events With a Community Purpose
2010-08 Policies Under FUUSN's Governance Structure	2012-21 Policy on Conflicts of Interest For FUUSN Social Actions Program
2010-09 Independent Checking Accounts Policy	2012-22 Collection of Items on FUUSN Property
2010-10 Hiring From Within The Congregation	2013-23 Board of Investment Policy
2010-11 Financial Reporting	2013-24 Policy on Threats and Disruptive Behavior
2010-12 Financial Policies	2017-25 Safety and Evacuation Plan for Classrooms
2010-13 Youth Protection Policy	

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## “Congregational Priorities”

- Board dialogs with congregation to discover & then publishes them - - *Section 3.2 of Board Governance Policies.*
- The language of Congregational Priorities is different & should answer three questions:
  1. What difference / result / good / benefit
  2. For whom / what (people, beneficiaries, the earth, etc.)
  3. At what cost / priority / worth (e.g. relative priority or cost such as “at a cost no higher than the average of like congregations”)

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The Board's hosts future-oriented dialogues with the congregation (via, for example, listening circles) to uncover Congregational Priorities.

Those conversations may be quite general or specific, but it is the Board's responsibility to craft the actual wording of the Congregational Priorities

## Sample - Congregational Priorities

A congregation of members and friends who embrace diversity, actively support each other in right relationship, and contribute to the financial health of the congregation at a cost not to exceed 5% of the annual budget.

- a) Adult members actively welcome newcomers and interact comfortably with people who are different from them (race, class, sex, gender-identity, sexual preference, education, age, abilities.)
- b) 100% of adult members contribute to the annual budget drive.
- c) The average pledge exceeds like-size congregations in the UUA.
- d) 70 % of Adult members and youth participate actively in sponsored Social Action outreach activities.

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Process: FUUSN Governance & Board's Role

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Congregational priorities start with a top-level broad statement and are further explained in more detail by sub-priorities as needed. There are MANY different ways of wording these and these examples are not held up as “expert” examples, but rather as a launch pad for Board efforts.

This priority seeks to set a “community health” priority.

Priorities may be developed for each of FUUSN's Core Values or for each element of FUUSN's Purpose as noted in the Bylaws, etc.

## Sample - Congregational Priorities

A congregation of members and friends who are ever growing in spiritual depth and understanding at a cost that can be sustained by our annual budget drive (or at a cost not to exceed the average spent by congregations in our region).

- a) Adult members actively create a sense of welcome and beloved community.
- b) Adult members engage in activities to develop their sense of meaning and understanding of purpose.
- c) Youth create age-appropriate credos reflecting an understanding of their UU faith
- d) Children's spirits are nurtured and grounded in UU principles by the entire congregation.

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Project: UU/UM Governance & Board's Role

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Congregational priorities start with a top-level broad statement and are further explained in more detail by sub-priorities as needed. There are MANY different ways of wording these and these examples are not held up as "expert" examples, but rather as a launch pad for Board efforts.

This priority seeks to set a "spirituality" priority.

## Why This Form of Governance?

- Offered the hope of
  - A Board with capacity to focus on the strategic
  - An empowered Operations Council
  - An empowered Minister (Chief of Staff)
  - Better more collegial relationships all around (clearer roles, limits, and process for feedback)
  - More straightforward, civil way to handle disagreements (Clearer delegation via charters & policies, Compliance reporting, Grievance policies, etc.)

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UU/UM Board of Trustees Min. Organization

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The new governance model offered the hope that the Board would be prevented from micromanaging the Ops Council and thus be freed to focus on vision, strategy, and impending long-term challenges.

The Ops Council had serious decision-making power and could operate with little need to burden the Board's agenda.

The Minister as chief of staff was clearly empowered to supervise and evaluate staff and staff were protected from unfair Board, Ops Council, or member criticism

The last two wrote the "unwritten rules" so all could follow them and so

- collegial relationships are based on good boundaries and good knowledge of

responsibilities with clear feedback loops to reduce blaming and encourage calling each other back into accountability when BOT, OC or Minister lapsed.

- Clearer delegation via charters & policies, Compliance reporting, Grievance policies held the promise for more straightforward, civil way to handle disagreement by taking personalities out of the equation. E.g., BOI recommended lower endowment drawdown in 2009/10 and BOT discussed and adopted it.

### **Top Changes Wished For (April 2008):**

- 1. "A co-minister model ... questions about whether the budget could support this.**
- 2. A detailed and publicized mediation process and/or grievance process... more careful attention to institutional conflicts**
- 3. More clarity in roles and responsibilities**
- 4. More attention to evaluation of how we are doing ...meeting our goals and purposes? ... adequate procedures and processes? ...adequately defined ...mission ...vision?**
- 5. Stronger membership outreach and coordination. People miss having someone in this role."**

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If needed to show the results of the community meetings / focus groups held the Governance Committee in 2007/8.

Quotations taken from report of focus groups