

Unitarian Universalist Church of Berkeley

Governance Manual

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The Unitarian Universalist Church of Berkeley
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GOVERNANCE MANUAL

OF THE UNITARIAN UNIVERSALIST CHURCH OF BERKELEY

~ Preamble ~

The Board of Trustees of the Unitarian Universalist Church of Berkeley adopts this statement of governance policies. This Governance Document is subordinate to California state law and to the Church's Bylaws. Its purpose is to: affirm essential values of the church; establish consistent policies and procedures of church governance; provide guidance to all constituencies of the Church about its governance; and educate and inform new participants in Church governance processes.

I. Mission, Vision and Principles

A. Mission Statement of the Unitarian Universalist Church of Berkeley

The mission of the Unitarian Universalist Church of Berkeley is to create loving community, inspire spiritual growth, and encourage lives of integrity, joy and service.

B. Vision Statement of the Unitarian Universalist Church of Berkeley

The Unitarian Universalist Church of Berkeley is a welcoming and vibrant congregation. We joyously support spiritual development guided by individual faith, reason, and conscience. We are committed to serving one another, the church community, the community at large, and the global community. We foster a spirit of generosity and trust that encourages care for our church home, and affirms diversity and relationships consistent with Unitarian Universalist principles.

C. Principles of the Unitarian Universalist Association

As a member congregation of the Unitarian Universalist Association, we covenant to affirm and promote:

- The inherent worth and dignity of every person
- Justice, equity, and compassion in human relations
- Acceptance of one another and encouragement to spiritual growth in our congregations
- A free and responsible search for truth and meaning
- The right of conscience and the use of the democratic process within our congregations
- The goal of world community with peace, liberty, and justice for all
- Respect for the interdependent web of all existence of which we are a part.

II. End Statements

[Approved January 16, 2014]

GLOBAL END

UUCB is an engaged, sustainable faith community grounded in UU principles and values.

It exists so that:

A. Spiritual Home

People of all ages and backgrounds find a spiritual home in this supportive, affirming religious community.

B. Community

People are loved, valued, and connected.

C. Spiritual Growth

Seekers can pursue their spiritual growth and transformation within the context of the covenanted UU community.

D. Faith Formation

Children, youth, and adults experience and explore the wisdom that all religions have to offer and can express UU principles and values.

E. Generosity

Congregants experience a shared richness of love and spiritual growth, inspiring greater generosity of time, talent, and treasure.

F. Faith in Action

Congregants can fulfill the UU values of social and environmental justice, and community organizations experience UUCB as an active and dynamic partner in this work.

III. Coordinating Team Limitations

A. General Coordinating Team Constraint

The Coordinating Team shall not cause or allow any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent or in violation of Unitarian Universalist Principles, Church Bylaws or commonly accepted business, accounting, and professional ethics and practices.

Overall, the Coordinating Team shall not fail to demonstrate leadership that is caring and nurturing, open and responsive, and visionary and empowering.

B. Treatment of Congregants, Friends and Visitors

With respect to interactions with and among congregants, the Coordinating Team shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive; that fail to provide appropriate confidentiality and privacy; or that fail to apply the standards of the Church's Mission, Vision, Covenant, Ends Statements, and Unitarian Universalist principles.

C. Treatment of Paid and Volunteer Staff

(Revised September 2015)

With respect to the treatment of paid and volunteer staff, the Coordinating Team may not cause or allow conditions that are unfair or undignified or that fail to apply the standards of the Church's Mission, Vision, Covenant, Ends Statements, and Unitarian Universalist principles.

Accordingly, the Coordinating Team shall not:

1. Discriminate against existing or potential paid or volunteer staff based on race, creed, ethnicity, national origin, gender, physical disability, marital status, sexual orientation, or gender characteristics, identity or expression.
2. Subject paid or volunteer staff to unsafe or unhealthy conditions.
3. Violate or operate without written personnel policies that clarify personnel rules for paid and volunteer staff, and are in compliance with current legal standards.

D. Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Coordinating Team shall not cause or allow jeopardy to the fiscal or institutional integrity of the Church.

Accordingly, the Coordinating Team shall not:

1. Increase individual Coordinating Team members' compensation, benefits, or allocated professional expenses as established by the Board.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the non-profit, geographic, and professional market for the skills employed.

E. Financial Management and Planning

With respect to financial planning, the Coordinating Team may not jeopardize the programmatic or fiscal integrity of the Church.

Accordingly, the Coordinating Team may not:

1. Create obligations over a term longer than revenues can be prudently projected.
2. Plan for general or capital expenditures without planning for the means to pay for them. Capital expenditures are any building additions or equipment purchases over \$2500.00 each.
3. Deviate materially from priorities and requirements as put forth in the Ends Statements in their allocation among competing fiscal needs.

4. Fail to consider contingencies, for example, legal fees, long-range planning, and reserves for such items as sabbaticals for clergy and staff who qualify and building needs.

F. Financial Activities and Condition

With respect to the actual, ongoing condition of the Church's financial health, the Coordinating Team may not cause or allow the development of fiscal jeopardy.

In administering the budgeted funds the Coordinating Team shall not:

1. Expend funds in a manner that departs substantially from the expenditure categories in the approved budget, except to the extent that specific procedures for transfers between categories are authorized by the Bylaws, the membership, or the Board of Trustees. [See [Appendix I](#)]
2. Authorize a line of credit or any loan contract without Board of Trustees approval.
3. Fail to advise the Board of significant transfers of money within budget categories or endowment funds, or other changes substantially affecting the Church's financial condition.
4. Fail to inform the Board of Trustees in writing concerning actual revenues and expenditures and appropriate comparisons and projections at frequencies specified in any monitoring policies.
5. Receive, process or disburse funds under controls insufficient to meet Generally Accepted Accounting Principles.

G. Asset Protection

The Coordinating Team shall not allow the assets of the Church—including cash, investment and endowment funds, the church buildings, grounds and furnishings—to be unprotected, inadequately maintained, inappropriately used, or unnecessarily risked. Nor shall the Coordinating Team fail to develop policies/procedures regarding the use of the church building/facilities.

Accordingly, the Coordinating Team shall not:

1. Fail to provide reasonable and prudent insurance coverage for the church, its staff, officers, and volunteers.
2. Unnecessarily expose the Church, the Board of Trustees, or staff to claims of liability or risk the nonprofit status of the Church.
3. Purchase, encumber, or dispose of titled or real property without advance authorization from the Board of Trustees.
4. Make any purchase of over \$5,000.00 without making competitive comparisons.

H. Execution of Contracts

No one other than the Coordinating Team and its express designees shall execute any contract on behalf of the Church. The Coordinating Team and its express designees shall not enter into any contractual arrangements that fail to serve the church's End Statements or violate the limitations on the Coordinating Team. The Coordinating Team shall not fail to seek

appropriate professional advice, when necessary, to interpret and assess contractual terms.

Accordingly, for any contract of \$10,000 or more, other than regular personnel contracts, the Coordinating Team shall not:

1. Enter into such a contract without the authorization of the Board President, who may, at his or her discretion, submit the matter to the Board of Trustees.
2. Terminate or breach such a contract without the approval of the Board of Trustees.

Contracts for goods and services shall not be awarded to the following: members of the Board of Trustees, Coordinating Team members, or members of these persons' immediate families. Nothing in this limitation shall preclude awarding contracts to church members who are not in the positions of leadership listed above.

[Approved July 17, 2008]

I. Endowment and Memorial Gifts

(Revised April 2015, November 2015 and December 2015)

The Coordinating Team shall not fail to develop and follow appropriate policies and procedures for seeking, accepting and managing (non-endowment) gifts of cash, securities and other tangible resources for the church. Such gifts must support the vision of the church and Unitarian Universalist principles, and not unreasonably constrain the Church's flexibility in managing the gift.

The Coordinating Team shall not fund annually a lesser amount than the General Endowment Payout (from the UU Church of Berkeley, General Endowment, and Kay Davis Memorial accounts) to the Ladd Griffith Building Reserve. This requirement will phase in over 5 years on the following schedule:

Year	% to Building Reserve
2016-2017	At least 20% (~\$12,000)
2017-2018	At least 40% (~\$25,000)
2018-2019	At least 60% (~\$41,000)
2019-2020	At least 80% (~\$55,000)
2020-2021+	100% (~\$72,000)

In no case may the Coordinating Team spend endowment and gift funds in violation of the directives and restrictions set forth in the Bylaws or in Board policy [See [Appendix H](#)], or without consultation with appropriate committees.

In reference to restricted endowments, the Coordinating Team shall have authority to authorize payout of 4% of the 13 quarter averages ending December 31 of the year previous to the fiscal year for which payment is requested, up to the amount that would have been authorized in the unused years, as long as it is for the restricted use. Payouts from endowments with long term (greater than 3 years) unused balances may be estimated, with

board approval and as long as the intentions of the donor are observed.

J. Conflicts of Interest

The Coordinating Team shall not fail to develop and implement a conflict of interest policy applicable to governance processes and actions taken on behalf of the church. [See [Appendix A.](#)]

K. Communication and Support to the Board and the Congregation

(Revised November 2015)

The Coordinating Team shall keep the Board informed and supported in its work.

Accordingly, the Coordinating Team shall:

1. Submit monitoring data required by the Board of Trustees (see Board-Coordinating Team Linkage, Part IV, below) in a timely, accurate, complete, and understandable fashion, directly addressing provisions of Policies.
2. Inform the Board of Trustees in a timely manner of relevant trends, public policy initiatives, anticipated adverse media coverage, and material external and internal changes, particularly changes in the assumptions upon which any Policy has previously been established.
3. Advise the Board of Trustees if the Coordinating Team perceives the Board to be out of compliance with the provisions of this Governance Document.
4. Limit public statements about the official position of the congregation or Board of Trustees on controversial social, political, and/or congregational issues beyond what the congregation or Board has formally and explicitly adopted as positions of record. Nothing in this policy shall be construed so as to infringe the fundamental principle of freedom of the pulpit.
5. Inform the Board of Trustees of all significant changes in, deletions of, or additions to administrative policies and regulations.
6. Ensure that a complete and current set of all Church policies, including all those formulated by the Board of Trustees, Coordinating Team, or Congregation, is readily accessible to all Church members at all times.
7. Supply for the Board's consent agenda all items delegated to the Coordinating Team but required by law, Bylaws, or contract to be Board-approved, along with any monitoring assurance pertaining thereto.
8. The Coordinating Team shall not allow the Board of Trustees to be without reasonable financial or administrative support for Board activities. (Adopted June 2012)

IV. Board – Coordinating Team Linkage

A. Function of the Coordinating Team

The Coordinating Team shall coordinate the work of volunteers and staff to execute goals set by the Board and Congregation.

B. Relationship Between the Board and the Coordinating Team

The Board of Trustees appoints the members of a Coordinating Team and may replace any or all members of the Coordinating Team at any time. The Board charges the CT to achieve the goals expressed in the Ends Statements by any means consistent with the Coordinating Team Limitations. The Board evaluates the CT performance solely in relation to these standards. The Board will neither instruct nor evaluate any other member of the church staff.

C. Unity of Control

Only decisions of the Board acting as a whole and communicated in writing are binding on the Coordinating Team. The Coordinating Team may confer with individual Board or Committee members but may refuse requests from individuals or committees that require a material amount of staff time or funds.

D. Accountability of Coordinating Team

The Coordinating Team is accountable to the Board for the performance of the organization. However, if the Coordinating Team makes choices that the Board did not envision or finds objectionable but does so based on a reasonable interpretation of Board policies, the Board's remedy is to amend its policies.

E. Monitoring Coordinating Team Performance

(Adopted July 2012)

Monitoring the performance of the Coordinating Team is, by definition, synonymous with 1) monitoring UUCB's accomplishment of the Ends as defined by the Ends policies, and 2) monitoring UUCB's operation with respect to the boundaries established in Board policies on Coordinating Team Limitations. This policy addresses both aspects of performance.

Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.

1. The purpose of monitoring is to determine the degree to which Board policies are being fulfilled. Information that does not do this will not be considered to be monitoring.
2. The Board will acquire monitoring information in one or more of three ways: a) by "internal report," in which the Coordinating Team discloses compliance information to the board, b) by "external report," in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and c) by direct inspection, in which a designated Trustee or Trustees assess compliance with the appropriate policy criteria.
3. In its review of internal monitoring reports, the Board's standard of excellence will be whether the interpretation includes the Coordinating Team's established operational definition, a rationale in support of the reasonableness of the definition, and criteria of successful performance. Following the interpretation, the Coordinating Team will present data and evidence that demonstrates both results and compliance with the operational definition, and includes the Coordinating Team's declaration of

compliance or non-compliance. In every case, the standard for compliance is *any reasonable interpretation by the Coordinating Team* of the Board policy being monitored. Only the Board may decide what constitutes a reasonable interpretation.

- a. The Board and the Coordinating Team will view the monitoring process as a learning opportunity, identifying and processing teaching moments produced by our work.
- b. The Board may accept or reject a monitoring report based on the reasonableness of the interpretation and the adequacy of the supporting data and/or information.
- c. The Board has three options in addressing a monitoring report:
 - i. Accept a report, finding that the interpretation is reasonable and that the data is in compliance with the metrics named in the interpretation.
 - ii. Accept a report with acknowledgement of concerns and broad direction for the next rotation of monitoring reports. The understanding would be that for the Board to accept the subsequent report, the Coordinating Team will incorporate the Board's concern into the next rotation of reporting for that policy.
 - iii. Reject a report when the data is not in compliance with the interpretation's metrics, and the report does not include a reasonable rehabilitation plan.
4. The Board will monitor all policies that instruct the Coordinating Team at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

V. Board Governance Process

A. Board Governing Style

The Board will:

1. Approach its task with a style that emphasizes strategic leadership, focusing chiefly on intended long-term impacts or ends, not on the administrative or programmatic means of attaining those effects.
2. Direct, control, and inspire the organization through the establishment of organizational values and policies.
3. Conduct its business with integrity, efficiency, and in right relationship to one another and the Congregation as a whole.
4. Be an initiator of vision, not a reactor to staff initiatives.

B. Board Transparency

(Revised March 2015)

The Board and its teams, committees and task forces will:

1. Provide at least two weeks' advance notice of dates and locations of regular business meetings, and make agendas, reports, and meeting minutes available promptly;

2. Provide avenues for comment on issues on the meetings' agendas;
3. Accommodate observers at regular business meetings;
4. Make documents submitted for consideration to the Board of trustees publicly available, except when by law they must remain confidential;
5. Conduct all regular business meetings in public except for matters that by covenant or law should be confidential.

C. The Board's Contributions and Responsibilities

(Approved May 2011)

1. It is the Board's responsibility to embody the congregation's vision, mission, and goals in Policies that enable us to achieve those ends. The job of the Board shall be to:
 - a. Recommend for Congregational approval statements of Mission, Vision and Principles.
 - b. Write and revise governance Policies such as Ends Statements and Coordinating Team Limitations.
 - c. Act as faithful stewards of the resources of the Church.
 - d. Recommend annual budgets and long-range financial plans to the Congregation for approval.
 - e. Appoint the Coordinating Team.
 - f. Monitor the operation of the Church against established Policies.
 - g. Establish, document and monitor its own processes of governance.
2. The Board may establish committees and task forces to assist it in preparing policy alternatives and implications for Board deliberations. Board committees shall adhere to the limitations set forth in Section IV (Board-Coordinating Team Linkage).
3. The Board of Trustees will appoint a three-member Audit Committee of current members of the Board of Trustees at its August meeting each year. The committee will include at least one current board member. This committee is responsible for choosing and securing an auditor or a financial reviewer for the current fiscal year in consultation with the Church Treasurer. The committee receives and reviews the auditor's or the financial reviewer's report and findings, and reports on the audit or financial review to the full Board of Trustees at the meeting of the Board of Trustees immediately following receipt of the report. There shall be an audit (rather than a financial review) no less than once every five fiscal years.
4. Declaration of Candidacy for Board Office: At the November meeting of the Board of Trustees, Board members who are interested in serving as President or Vice-President will declare their candidacy by informing the President in writing, before the meeting. The President will announce the names of the candidates during this meeting. Board members will elect the President and Vice-President at a special Board meeting immediately following the February Congregational meeting.
5. The Board Secretary will be responsible for the upkeep of the Governance Manual (in

both electronic and paper form), including revision numbering and a log of all changes. [see [Appendix J](#)]

6. All documents intended for use at a given board meeting should be received a week before the meeting date. Any documents that reach the secretary after the Monday before the meeting will not be considered on that month's agenda unless the Board president considers that action on them is essential.

D. Board Members' Code of Conduct

The Board expects of itself and of its members ethical, businesslike, and emotionally sensitive conduct, in keeping with the Unitarian Universalist values and principles. The members and the Board as a whole commit to responsible use of the authority vested in them by the congregation. By accepting membership in the Board of Trustees, each Trustee acknowledges her or his legal and moral responsibilities to act on behalf of the church and to fulfill the obligations of Board membership.

1. Trustees must first be loyal to the interests of the congregation.
2. Trustees will act in accordance with established policy regarding conflict of interest. [see [Appendix A](#)]
3. The Board shall speak with one voice. Although unanimity is not required, the Board's group decision must be unambiguous, recorded in policy, and upheld by all members of the Board as if it had been a decision that each made individually. No member has the authority to speak for the Board unless specifically authorized to do so by the whole Board.
4. In their interactions with one another as a Board, Trustees shall adhere to agreed upon norms. [see [Appendix C](#) and [Appendix D](#)]

E. Linkage with Ownership

(Adopted August 2012)

The Board is accountable to the moral ownership of the Unitarian Universalist Church of Berkeley. The moral owners are everyone on whose behalf we pursue our mission, including past, present and future members and friends of our church, our denomination, and the surrounding community.

1. Board members act on behalf of the moral ownership as a whole, rather than as advocates for specific demographic or interest groups.
2. When making governance decisions, Board members will maintain a distinction between their personal interests as "consumers" of UUCB's services and their obligations as representatives of the moral owners.
3. The Board will seek to inform itself about the congregation's desires, aspirations and concerns on a regular basis. [see [Appendix B](#) and [Appendix E](#)]
4. The Board recognizes the democratic process, the importance of diversity and minority viewpoints, and the collective wisdom of the Unitarian Universalist denomination, and will seek to make decisions considering all of these.

5. Collecting input from the congregation may be accomplished through a variety of methods, including, but not limited to, one-on-one dialogues, congregational meetings [see [Appendix G](#)] and forums, surveys, focus groups, and advisory committees. The Board will also gather input and data from the ministerial team, the Coordinating Team, and, from time to time, Unitarian Universalist organizations and the surrounding community.
6. The Board will establish and maintain a three-year ownership linkage plan to ensure that the Board has intentional and constructive dialogue with the owners, primarily around UUCB's Ends.
 - 6.1. The plan will use a variety of methods and questions to ensure that the diversity of ownership is reflected in the information gathered.
 - 6.2. The information obtained from linkage efforts will be used to inform the Board's policy decisions.
 - 6.3. All Board members are accountable to the Board for participating in the linkage efforts identified in the plan.
7. The Board will consider its ownership linkage successful if, to a continually increasing degree:
 - When developing or revising Ends, the Board has access to diverse viewpoints that are reflective of the ownership regarding what benefits UUCB should provide, for whom, and the relative priority of these benefits.
 - The owners are aware that the Board is interested in and seriously considers their perspective.
 - If asked, the owners would say that they have had opportunity to let the Board know their views.
 - The owners are aware of how the Board has used the information they provided.

F. Costs of Governance

(Adopted October 2012)

Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity.

1. Board skill, methods, and supports will be sufficient to ensure governing with excellence.
 - a. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing members' skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance.

- c. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - a. Up to \$4,000 in fiscal year for training, including attendance at conferences and workshops.
 - b. Up to \$10,000 in fiscal year for third-party monitoring of organizational performance.
 - c. Up to \$3,000 in fiscal year for surveys, focus groups, opinion analysis, and meeting costs.
3. The board will establish its cost of governance budget for the next fiscal year during the month of December.

Appendix A: Conflicts of Interest

Adopted August 2005

UUCB Conflicts of Interest Policy (Based on sample policy from *Guidebook for Directors of Nonprofit Corporations*, published by the Committee on Nonprofit Organizations of the American Bar Association)

Article I: Purpose

The purpose of the conflicts of interest policy is to protect UUCB's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a member of the Board of Trustees, the Coordinating Team, the staff, or any key committee lay leader. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and religious organizations.

Article II: Definitions

1. Interested Person

Any trustee, coordinating team member, or key committee lay leader who has a direct or indirect financial interest, as defined below, is an interested person.

2. Key Committee Lay Leader

The chair or primary contact for any UUCB authorized committee or organization that might reasonably be expected to engage in transactions or arrangements with significant monetary value.

3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family –

- a. an ownership or investment interest in any entity with which UUCB has a transaction or arrangement, or
- b. a compensation arrangement with UUCB or with any entity or individual with which UUCB has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which UUCB is negotiating a transaction or arrangement.

4. Compensation

Compensation includes direct or indirect remuneration as well as gifts or favors that are substantial in nature.

Article III: Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the trustees and members of committees considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, the board or committee shall determine whether UUCB can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to the conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in UUCB's best interest and for its own benefit and whether the transaction is fair and reasonable to UUCB and shall make its decision as to whether to enter in the transaction or arrangement in conformity with such determination.
- d. Violations of the Conflicts of Interest Policy
- e. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- f. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of proceedings

The minutes of the board and all committees shall contain –

- a. the names of the person who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including an alternative to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article V: Personnel committee

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from UUCB for services is precluded from voting on matters pertaining to that member's compensation.

Article VI: Annual statements

Each trustee, coordinating team member, and key committee lay leader shall annually sign a statement which affirms that such person –

- a. has received a copy of the conflicts of interest policy
- b. has read and understands the policy
- c. has agreed to comply with the policy

Appendix B: Complaint and Inquiry Process

Adopted August 2006

If a Board Member receives a concern or complaint, or observes a problem, he or she takes the following action.

1. If the matter can be resolved by speaking directly to a committee or individual, the Board Member assists the person(s) in locating the correct contact within the church. If unsure of how to direct the person, the Board Member may wish to consult with a member of the UUCB staff or Coordinating Team.
2. If the matter is (or may be) related to existing governance policy, the Board Member reports the issue or incident to the Board President or Vice President, who will place the issue on the next Board agenda.
3. If the matter has only potential policy implication (i.e., does not bear on existing policy, but raises questions that the Board might wish to consider in writing/revising policy), the Board Member reports the issue to the Board President or Vice President, on whose judgment the issue may be placed on an upcoming Board agenda (or the Board Member may petition to have it included).

Cautions

1. Safety first. A Board Member does not endanger anyone in the name of procedure (or policy). If in doubt or crisis, the Board Member calls a minister, or 911, or uses best judgment to summon the most appropriate help.
2. Issues that have been referred to appropriate contacts within the church, but that remain unresolved and are again brought to the Board's or a Board Member's attention, may be considered by the Board as a form of direct monitoring. The Board shall be guided by the principle that its remedy is always in crafting policy, and not in micromanaging performance.
3. "Policy" as used here refers to the statements of the Governance Document.
4. In their interactions with other congregants, Board Members must be conscious that individuals may hold misconceptions concerning the amount of power or influence possessed by Board Members, simply based upon the fact that they are Board Members. Board Members should therefore err on the side of caution in word and in action, lest their actions be presumed to represent the will of the Board. The Board speaks as a whole, with one voice, and not through any one member (unless s/he is authorized to do so by vote).

When expressing their personal views to other congregants, Board Members should strive to avoid possible misunderstandings in such communications, if that potential exists, by making it explicit that a personal opinion is being expressed.

Appendix C: Covenant of the Board of Trustees

Adopted April 2012

With gratitude for the Trustees who have gone before us, with a commitment to honor the trust placed in us by the members of the congregation, with full appreciation of our responsibility to those who will come after us, and present to what is sacred in life, we, the members of the Board of Trustees of the Unitarian Universalist Church of Berkeley joyfully covenant with one another:

to affirm that leadership means to lead the congregation with vision, not just oversee finance, administration and care of the property;

to view leadership and our work together as a spiritual practice, sharing deeply with care for how our words affect others and ourselves;

to stay in relationship, showing respect for one another even in disagreement, by assuming good intentions, forgiving each other and remembering to have fun;

to honor our time together by being present, prepared, attentive, and respectful, through careful listening, honesty, patience, and kindness;

to embody the belief that the congregation can function with an attitude of abundance;

to be honest and vulnerable, risking being our whole and real selves with each other to create loving community;

to affirm our linkage with the congregation, seeking to make honest connections to forward our common vision.

Appendix D: Common Rules of Orderly Procedure

Adopted April 2012

The following is a list of the rules of orderly procedure that are commonly used at meetings of the UUCB Board of Trustees. This list includes a subset of the rules found in Robert's Rules of Order, and its purpose is to provide a convenient aide to Board members.

1. All UUCB Bylaw obligations respecting board meetings must be satisfied.
2. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of quorum.
3. Meeting order and decorum shall be maintained, and all members shall be treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
4. Board members must keep their comments relevant to the issue under consideration.
5. Board meetings will be conducted at a level of informality considered appropriate by the chair.
6. Proposals that the board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made in a main motion by a board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
 - a. The chair of the board may entertain motions, engage in debate, and vote only in the case of a tie.
 - b. A motion to amend a main motion may be amended but third level amendments are out of order.
 - c. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, and if carried, shall set the main motion (the initial proposal) aside accordingly.
7. The time allotted in the agenda for the discussion of an agenda item may be extended if the majority of board members agree.
8. Board members may speak to a pending motion as many times, and at such length, as the chair may reasonably allow. Ideally, board members shall speak briefly and concisely on a pending motion or discussion item. No member shall speak twice until each member has had an opportunity to speak. Members are encouraged to state their concurrence without repeating points already made.
9. A vote on a motion shall be taken when discussion ends but any board member may, during the course of discussion, move for an immediate vote (call the question) which will close the discussion. A vote of two-thirds of the members present shall end discussion and the vote on the main motion shall then be taken.
10. Any Board member may call a 30 second time out if he or she believes that the discussion is deviating from reasonable bounds of decorum.
11. With the exception of those matters in which the Bylaws require a higher level of

approval, a majority vote will decide all motions before the board.

12. A motion to adjourn a board meeting may be offered by any board member or, on the conclusion of all business, adjournment of the meeting may be declared by the chair.

Appendix E: Ownership Linkage Team Charter

Adopted August 2012

Purpose

The purpose of the Ownership Linkage team is to facilitate communication between the Board and the moral owners of UUCB in a way that engages with the members, strengthens their perceptions of themselves as owners of UUCB, and produces information that informs the ongoing business of crafting Ends policies.

Output

The team is responsible for the following deliverables:

- Initial ownership linkage plan provided to the Board by September 2012
- Updated plan, with input from the Board, by September each year
- Written evaluation, with input from the Board, of the effectiveness of the plan by December annually
- Presentation of information collected from groups within the ownership, in a format useful to the Board for Ends deliberation, by August of each year.

Authority

- The team may not change board policies.
- The team may request funds required for its operations. *Requests for funds are submitted to the Board.*

Composition

- The team will be composed of at least two Board members and at least one member who is not on the Board.
- Members are appointed by the Board for a one-year term with opportunities for reappointment.
- The team will notify the Board of any impending changes to the team and recommend new members.
- The team will elect its own chair annually.

Appendix F: Board Education Team Charter

Adopted September 2012

Purpose

The purpose of the Board Education team is to provide educational services to individual Board members and to the Board as a whole in a way that supports excellence in governance at UUCB.

Output

The team is responsible for the following deliverables:

- Proposed Board education plan provided to the board by September of each year
- Updated plan, with input from the Board, by March of each year
- Delivery of educational content at Board meetings and retreats
- Orientation & education of new Board members
- Written evaluation, with input from the Board, of the effectiveness of the prior year's plan by February of each year

Authority

- The team may not change board policies.
- The team may request funds required for its operations. Requests for funds are submitted to the Board.

Composition

- The team will be composed of at least two Board members and at least one member who is not on the Board.
- The team chair will be elected by the team members.

Term of Office

- Members are appointed annually by the Board for a one-year term.

Appendix G: Scheduling Priorities and Communication Regarding Congregational Meetings

Adopted April 2014

In Article 5.2, the Bylaws state that the Church shall hold at least two meetings of the Church community each year. Those are the Awards, Canvass and Election Meeting held on the second Sunday of February and the Celebration and Planning Meeting on the third Sunday of May. Also, the Board of Trustees may call Church meetings for the required transaction of any business at any time. In addition to the official business meeting, the board may invite members and friends to gather for special purposes, such as planning.

Therefore, in order to ensure that the congregation is kept informed of matters of importance and increase participation in congregational affairs:

- At least four weeks prior to required Congregational meetings:
 - The UUCB website will feature an Upcoming Congregational Meeting button on the homepage prominently displaying the date and time.
 - As it becomes available, the agenda and all material related to the meeting will be delivered to the Coordinating Team, or its designated staff person, who will see that it is posted on the meeting page within 72 hours of receipt.
 - Notice of the meeting will be featured prominently in The Beacon and every other activity listing sent to members.
- In the intervening weeks leading up to the meeting:
 - The meeting will be featured prominently in Upcoming Events.
 - A verbal announcement of the upcoming meeting will be repeated at the all services.
- With regard to special meetings:
 - The same elements as above, as soon as possible after the Board approves the call for the meeting.
- During the meeting:
 - No other church activities will take place at the church. Childcare will be provided to allow for greater participation by members.
- Following the meeting:
 - Within 72 hours of the meeting, the Board President will write a report to members conveying the essence of the meeting. Within 48 hours of receipt by the designated staff person, the President's report will be sent to the entire UUCB email list under the subject line "Special Message from the UUCB Board President"; nothing else will be bundled with it. The report will be posted to the meeting page and copies made available on the information table within 48 hours of receipt by staff.
 - The CT, or their designated staff person, will work with the board and other relevant people to be sure that materials are posted to the meeting page within 48 hours of receipt by the CT.

Appendix H: Endowment Fund Investment Policy

SCOPE AND PURPOSE

The purpose of this policy is to provide the framework for the investment management of the Unitarian Universalist Church of Berkeley (UUCB) Endowment Fund assets. Other UUCB reserve funds may be co-mingled with the Endowment Fund for investment purposes.

This policy sets forth the investment objectives for the Endowment Fund as developed by the UUCB Endowment Committee and adopted by the UUCB Board of Trustees. It also establishes guidelines and parameters for achieving those objectives. The objectives, guidelines and parameters are not intended to be a blueprint for day-to-day investment management operations, but are designed to focus on the investment and payout strategies for these assets. The investment strategy reflects the long-term nature of the UUCB Endowment Fund and the resulting need for its protection and growth.

AUTHORITY

The UUCB Endowment Committee reports to and gets its authority from the UUCB Board of Trustees (BOT). The Endowment Committee is composed of at least three members recruited by the CT and approved by the BOT. In addition, the current Treasurer serves ex officio. The committee may make use of outside financial management to implement the following investment policy with the approval of the Board of Trustees. In addition, the UUCB Endowment Committee has the authority to use the Unitarian Universalist Association Common Endowment Fund (UUCEF) for management of the Endowment Fund and other UUCB reserve funds. The Endowment Committee will make recommendations for modifications and implementation of this investment policy as needed.

INVESTMENT OBJECTIVES

- A. Overall Investment Objective. The overall investment objective of the Endowment Fund is to support the annual operating needs of UUCB by simultaneously investing in a way that upholds UU values and preserving the future real value of the assets. It can also be used for emergencies, funding loans, and/or capital improvements, all of which are to be repaid.
- B. Standard of Care. When investing or administering the Endowment Fund, the Endowment Committee and any outside financial management it employs must consider the following factors, if relevant:
 1. general economic conditions;
 2. the possible effect of inflation or deflation;
 3. the expected tax consequences, if any, of investment decisions or strategies;
 4. the role that each investment or course of action plays within the overall investment portfolio of the Endowment Fund;
 5. the expected total return from income and the appreciation of investments;
 6. other resources of UUCB;
 7. the needs of UUCB and the Endowment Fund to make distributions and to preserve the real value of the capital;

Decisions about an individual asset must be made not in isolation but rather in the context of the Endowment Fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Endowment Fund and to UUCB.

- C. Total Return Basis. Investment management of the Fund will be on a total return basis. The goal of the investment manager(s) will be to achieve a competitive total rate of return for a balanced investment account over the market viewed long-term with no greater than average market risk.
- D. Preferred Investments. UUCB seeks to emulate the UUA's practice of investing or avoiding specific companies or aggregates according to their performance in the areas of environmental, social and corporate governance conduct.
- E. Asset Mix. The assets are to be broadly diversified in order to minimize the risk of a large loss. The following asset ranges should provide enough flexibility to meet both the long term and short term objectives, subject to periodic review.

Equities	35%-50%
Fixed Income	20%-30%
Alternative Investments.....	30%-40%
Cash Equivalents	0%-10%

Within each equity asset class there will be further appropriate diversification among domestic and international equities, among industries and sectors, and among market capitalization.

DISBURSEMENT

The intent of the Endowment Fund is to provide a permanent source of income to support the UUCB's work. The level of annual expenditure (%) from the Endowment Fund (the "Annual Amount") will be recommended by the Endowment Committee in consultation with the Coordinating Team, and adopted by the Board. The level of base payout will be 4% of the endowment investment of the previous 13 quarters ending December 31 of the year previous to the fiscal year of the expected payout, with an additional potential payout of from 0 to 1.5% based on the following:

- the endowment's rate of return for the past 3 years
- the potential effects of inflation or deflation
- the potential use of the funds for "development expenditures." Analogous to capital expenditures, these development expenditures are expected to provide a future return over several years in a way that justifies the expenditure. Specific projects will be identified by the CT, reviewed against the development criteria by the EC, and approved by the BOT. Example development expenditures might be: start-up costs for a new program or staff member, or hiring of consultants for a specified project.

For example, if the endowment's average rate of return for the previous 3 years minus the Bay Area CPI were close to or less than 4%, no additional payout would normally be taken. If the

average rate of return minus the CPI were greater than 4%, a payout approximating the amount over 4% would be considered for payout if the CT could identify one or more projects that met the development expenditure criteria. The Endowment Committee, in consultation with the CT, will recommend the level of payout to the Board.

Should loans be made from the UUCB Endowment, the unpaid principal of such loans will be considered an investment and included in the endowment total.

Our intent on the potential additional 1 1/12% payout is to put it as a note to (not part of) the budget until a specific project has been identified for it. Once the project and amount have been identified by the CT, confirmed as having met the criteria by the Endowment Committee, and approved by the board, the money will be transferred out of the endowment and into an identified account specifically for that project. Any funds not spent for that project by the end of the fiscal year will carry over into the next fiscal year.

Any incremental payout not associated with a specific project approved by the board by the end of the fiscal year will remain in the endowment, and not pay out for that fiscal year. We anticipate this coming year to be a learning process, and will incorporate any changes into a policy revision at the end of the year.

INVESTMENT & EXTERNAL INVESTMENT MANAGEMENT

Endowment funds will be managed by the UUA Common Endowment Fund (CEF) as long as the CEF meets the overall objectives of the UUCB Endowment.

REPORTING

The Endowment Committee will report to the Congregation at the May congregational meeting. In addition, monthly return reports will be included in the Treasurer's Report. [Note: As long as UUCB continues to invest through the UUA Common Endowment Fund, its financial performance can be accessed at any time on the UUA website: <http://uucef.org/>

Appendix I: Budget Change Process

Adopted September 2014

The following table describes changes that may be made by the Coordinating Team to an approved budget without having to seek prior approval from the congregation or the Board of Trustees. Changes of this sort would typically be made no more than once per year, if at all.

Budget change/Approval	Treasurer/Bus. Administrator	Coordinating Team	Board	Congregation
Line item changes (surplus/deficit total remains constant)	<\$5000 in aggregate	\$5000 to \$15,000	\$15,000 to 5% of budget (about \$50,000)	5% of budget or more
Line item changes (surplus/deficit total changes)			Up to \$10,000	\$10,000 or more

Note that changes like this are changes to the approved budget and not to the expected results.

Note that any changes at any level will be reported to the Board in the monthly Treasurer's report.

Appendix J: Log of Changes to this Document

(Revised January 2016)

In compliance with Section V.C.5. of this Governance Manual, the following log of changes that have been incorporated into this version of the Governance Manual is provided.

- 1 In the footer of all of the pages of this document, the version number was changed from 2015.1 to 2016.1, and the revision date was changed from 1/27/15 to 1/21/16.
- 2 In section V.B, the scope of the Board Transparency policy was widened. This change was adopted by the Board at its March 2015 meeting.
- 3 In section III.I, the restricted endowments payout authority of the Coordinating Team was specified. This change was adopted by the Board at its April 2015 meeting.
- 4 In section V.C, a new policy concerning the receipt of Board meeting documents was added. This change was adopted by the Board at its September 2015 meeting.
- 5 In section III.C, wording was added to subsection 3 requiring compliance to current legal standards. This change was adopted by the Board at its September 2015 meeting.
- 6 In section III.I, the second paragraph was removed. This change was adopted by the Board at its November 2015 meeting
- 7 In section III.K, subsection 4 was removed. This change was adopted by the Board at its November 2015 meeting.
- 8 In section III.I, text and a table were added requiring a phased-in funding from the General Endowment Payout to the Ladd Griffith Building Reserve. This change was adopted by the Board at its December 2015 meeting.
- 9 Minor secretarial changes are as follows: 1) removing several question marks mistakenly imbedded in the text of Appendix H, 2) relocating the hyperlink to Appendix H, and 3) resetting the web address (URL) at the end of Appendix H, and making it a hyperlink.