

## **II. Governance Process Policy**

### **A. GOVERNING STYLE**

The Board will govern with an emphasis on (1) strategic and visionary leadership rather than administrative detail, (2) the future rather than the past or present, (3) clear distinction of Board and Executive roles, (4) pro-activity rather than reactivity, (5) encouragement of diverse viewpoints, and (6) collective rather than individual decisions. Accordingly:

#### **1. Policy-Based Governance**

The Board will direct, control and inspire Main Line Unitarian Church (MLUC) through the careful establishment of broad written policies reflecting the values and perspectives of its moral ownership, as defined in the Statement of Moral Ownership appended to these policies. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board's major policy focus will be on the church's intended long-term impacts, not on the operational means of attaining those effects.

#### **2. Collective Responsibility**

The Board will operate with a sense of group responsibility. The Board will not use the expertise of individual members to substitute for the judgment of the Board, although such expertise may be used to enhance the understanding of the Board as a body. The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling group obligations.

#### **3. Moral Accountability**

The Board shall perform its duties in a competent, conscientious and effective manner. In so doing, the Board is accountable to MLUC's moral owners, including current and future congregants, the heritage and principles of Unitarian Universalism, and others, as described in the Board's Statement of Moral Ownership.

#### **4. Decision-Making by Consensus**

The Board will encourage discussion and strive to reach consensus on decisions. Once decisions have been made, both majority and minority will support the action taken and speak with one voice.

#### **5. Commitment to Good Governance**

The Board, not the staff, is responsible for Board performance and excellence in governing. Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity, recommending funding for Board development on governance and leadership-related matters during the budget development process. Regular development activities will include orientation of new Board members, systematic monitoring of Board performance and policy compliance, and periodic Board discussion of how the governance process might be improved.

## **B. ROLE OF THE BOARD**

The Board provides the strategic leadership necessary to guide MLUC toward, and assure achievement of, desired organizational performance. The Board holds collective responsibility for the following:

### **1. Ownership Linkage**

The Board serves as the informed voice of the Congregation. Trustees regularly communicate with a broad range of congregants to discern their aspirations for the Church and to foster a culture of stewardship. Trustees also educate themselves regarding the traditions and values of Unitarian Universalism, and stay abreast of trends and developments in the denomination and larger society that might affect MLUC's future.

### **2. Policy Development**

The Board creates written governing policies that, at a minimum and at the broadest levels, address the following categories:

- a. *Governance Process*: specification of how the Board conceives, carries out and monitors its own duties
- b. *Ends*: the specific benefits and outcomes (what good for whom at what cost) that MLUC seeks to create
- c. *Executive Limitations*: constraints on the authority that the Board delegates to MLUC's Executive; such limitations establish the prudence and ethics boundaries that define the acceptable arena of organizational circumstances and executive activity and decision-making
- d. *Linkages*: policies governing the Board's relationship with the Executive, the Congregation, and external stakeholders, as defined in those policies.

### **3. Performance Monitoring**

The Board assures acceptable performance both by the Executive and by the Board relative to the written policies it has adopted. It does this through regular monitoring and evaluation, securing outside monitoring assistance as necessary and appropriate. Upon choice of the Board, any policy can be monitored by any method at any time.

### **4. Policy Review and Revision**

The Board regularly reviews and, if advisable, revises its policies in consultation with the Executive and, if appropriate, the Congregation at large. Policies in each major category will ordinarily be reviewed on a rotating annual schedule, but may be revised at any point should they be deemed in need of improvement or clarification.

## **C. CODE OF CONDUCT**

The Board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

### **1. Board Discipline**

The Board will act in accordance with a written behavioral covenant, to which all members pledge themselves at least annually, and will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect for defined roles, speaking with one voice, self-policing of any tendency to stray from governance adopted in Board policies, and ensuring the continuance of governance capability.

### **2. Duty of Loyalty**

Board members must represent unconflicted loyalty to the interests of MLUC's moral ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs, and it supersedes the personal interest of any Board member acting as an individual consumer of MLUC's services. When making governance decisions, the Board will consider and speak for the best interests of MLUC as a whole, now and in the future. Board members will not represent and shall not serve as advocates for any particular group within the Congregation with which they have a personal affinity or affiliation.

### **3. Conflicts of Interest**

Board members must avoid any conflict of interest with respect to their fiduciary responsibility.

- a. Board members and officers must annually disclose in writing to the full Board their involvement with other organizations, with vendors, or any other associations that might create a conflict of interest. Board members and officers must also disclose new potential or actual conflicts of interest as they arise.
- b. A Board member or officer who also serves on the board of another organization that has a relationship with MLUC must abstain from any votes or discussions of either board that materially affect the other organization.
- c. There must be no self-dealing or any conduct of private business or personal services between any Board member or officer and MLUC except when procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
- d. The Board may waive a conflict of interest if (1) full disclosure is made to the Board by the interested Board member or officer of the specific matters and relationships giving rise to the conflict; (2) the Board determines, with appropriate independent documentation, that any such matter, contract or transaction is fair, reasonable and in MLUC's best interest; and (3) a majority of the Board members (not counting the interested Board member) votes to waive the conflict. The interested Board member

- or officer may be present for a preliminary discussion of the conflict to answer questions posed by other Board members, but may not be present for the full discussion or during the Board's vote. The minutes of the Board meeting shall clearly reflect that the requirements above have been met.
- e. Board members and officers must not use their positions to obtain for themselves, family members, or close associates employment within MLUC. Should a Board member or officer be considered for employment, he or she must temporarily withdraw from Board deliberation, voting and access to Board information.
  - f. Should a Board member (other than a minister) be employed by MLUC or act as a paid consultant to the Church, he or she must resign from the Board.

#### **D. BOARD OFFICERS**

The Board shall elect and appoint officers as provided for in the MLUC bylaws and as required or permitted by law.

##### **1. Election and Appointment of Officers**

Officers will ordinarily be elected and appointed at the regular Board meeting immediately preceding the start of a new fiscal year, with ratification of the vote to occur on the consent agenda of the first business meeting of the new fiscal year.

- a. Election of the President and Vice President will be by those trustees with continuing terms and by trustees-elect, the latter of whom shall be eligible to vote on the election of such officers, but not other matters before the Board.
- b. The Secretary, and such other officers as the Board may deem necessary or appropriate, shall be appointed by the sitting President, after having polled continuing Board members and trustees-elect on such appointments.
- c. The President's term of office will be two years, unless a term of one year is specified at the time of election; all other terms of office will be for one year. Terms of office commence at the start of the new fiscal year, unless a vacancy is being filled, in which case the term begins immediately and continues to the end of the then-current fiscal year.
- d. An officer may be removed from office by a two-thirds vote of Board members, not including the officer.
- e. To facilitate continuity of Board operations, mid-way through the fiscal year the President will consult with and seek consensus from trustees and the Senior Minister as to the best officer candidates for the following year. The President will then institute a mentoring process so such individuals are prepared for office. Individuals interested in serving as officers are encouraged to make their interest known to the President as early in the previous fiscal year as possible.

## 2. Authority and Duties of Officers

The Board is responsible for maintaining a written job description for each officer position that details the required qualifications, duties and procedures of the office as assigned or specified by the President, Board policies, and the MLUC bylaws. Such job descriptions must be consistent with the authorities and duties enumerated below.

- a. The *President* is the principal officer of MLUC. The President ensures the integrity of the Board's processes and fulfillment of its responsibilities, chairs Board meetings, has signatory authority on behalf of MLUC, and represents the Board to the Congregation and outside parties. Accordingly:
  - i. The President will ensure that the Board behaves consistently with its policies and covenant, provisions of the MLUC bylaws, and laws and regulations legitimately imposed from outside the organization.
    - a) The majority of discussion items will emphasize the future, not the present or the past, and focus on trends and developments affecting the discernment of Ends and strategic policy issues. Decision items will address only those issues which, according to Board policy, clearly belong to the Board to decide, not the Executive.
    - b) Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point.
  - ii. The President is empowered to chair Board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing). He or she is also empowered to set Board meeting agendas, to facilitate the development of consensus, to delegate work, as appropriate, to different Board members and/or working groups, and to monitor progress.
  - iii. The President's authority does not extend to supervising, interpreting Board policies to or otherwise directing the Executive.
  - iv. The President shall be mindful that he or she is first among equals and has no unilateral authority to speak in the name of the Board. The President is obligated to keep other Board members informed and to otherwise operate in a spirit of transparency and shared responsibility.
  - v. The President may choose to use email and/or telephone or fax communication to vote and make decisions on issues, but only in circumstances where he or she has determined that the decision involved is pro forma, non-controversial and of a time-sensitive nature, or that the Board cannot be convened before the decision must be made.
- b. The *Vice President* acts in the place of the President when the President is absent, consults closely with and supports the President in the execution of his or her responsibilities, and performs such other functions and duties as the President may assign.
- c. Working with the President, the *Secretary* provides written notices of and agendas for all annual and special Congregational meetings; ensures the distribution and processing of absentee ballots for Congregational meetings; drafts formal Board

- correspondence; maintains lists of the membership of Board committees and notifies Board committee appointees of their appointment; communicates with Board members regarding task assignments and schedules; coordinates scheduling of Board functions with the Church office and reserves necessary rooms and equipment; and performs such other duties as the President or Vice President may assign.
- d. The Board delegates the selection of a *Treasurer*, as well as the definition and oversight of that position's duties, to the Senior Minister.
  - e. The Board may appoint, from among its own ranks or those of the membership, a *Financial Advisor* to advise the Board on financial policy matters. Toward this end, the Financial Advisor may, upon the Board's request, assist the Board to arrive at an independent and informed evaluation of MLUC's fiscal health and emerging financial needs; provide guidance as to financial standards and norms; perform direct inspection of financial matters to determine that they are conducted in accordance with Board policies; assist the Board in understanding and interpreting financial reports; and facilitate the authorization and conduct of the annual audit. Duties of the Financial Advisor will neither lessen nor add to the Executive's accountability to (and only to) Board fiscal policies, or each Board member's responsibility to understand and oversee MLUC finances.

## **E. BOARD OPERATIONS**

The Board shall conduct its business in an orderly and efficient manner and in accordance with the following policies:

### **1. Planning Processes**

In order to promote maximum productivity and effectiveness, the Board will develop and follow an annual agenda that systematically solicits and considers the perspectives and values of MLUC's moral owners, reviews existing Board policies and organizational performance, and provides for ongoing Board education and self-monitoring.

- a. The MLUC fiscal year will begin on July 1st and conclude on June 30th each year.
- b. Following the Annual Congregational Meeting at the end of each fiscal year, the Board will organize and conduct a Board retreat for the purposes of team-building, reviewing accomplishments and shortcomings of the previous year, providing education relevant to the Board's role and responsibilities, and establishing the Board's goals and planning the Board's agenda for the year to come.
- c. During the first quarter of the fiscal year, the President shall ensure that specific plans and timelines for Board education and for Congregational linkage activities are constructed for implementation during the balance of the year. The President shall also ensure that a calendar showing anticipated monthly Board meeting agenda items (including Governance Process, Ends, Executive Limitations, and/or Linkage policies to be reviewed or developed, Executive monitoring and informational reports to be received, Board committee reports, educational presentations, and self-evaluation

activities) and other major milestones and events featuring Board participation is created.

- d. By early in the third quarter of the fiscal year, the Board will specify policy priorities and “at what cost” parameters, as well as Board development and capacity-building needs, to guide Executive budget development.

## **2. Business Meeting Processes**

The Board will conduct regularly-scheduled business meetings, and special meetings as necessary, with appropriate notice to the Congregation. Meetings will be conducted according to the Board’s covenant and governing style policy.

- a. Board meetings will ordinarily be held on the third Wednesday of each month at 7:30 PM. Board members will make every effort to attend all Board meetings, and must notify the President if they cannot be physically present. If an occasional absence is unavoidable, Board members may, at the discretion of the President, participate remotely through appropriate technological means and be deemed “present” for the purpose of a quorum.
- b. Executive monitoring reports will normally be placed on the consent agenda. They will be placed on the discussion agenda only if there are issues with the reasonableness of interpretations, the adequacy of the policies on which reports are based, the sufficiency of data, or policy violations.
- c. In accordance with the MLUC bylaws, decisions will be made by consensus whenever possible. The President has the option of calling for a vote if, after all perspectives have been expressed, consensus cannot be achieved.
- d. The Board will adopt a systematic method of evaluating each meeting, with a view to ongoing improvement of meeting processes and adherence to policy. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Linkage categories.

## **3. Board Committees**

The Board may establish committees to help carry out its responsibilities. To preserve Board holism, committees will be used so as to minimally interfere with the wholeness of the Board’s job, and so as never to interfere with delegation from the Board to the Executive.

- a. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the Executive.
- b. Board committees are to help the Board do its job, not to help the staff do its jobs. Board committees are not to be created by the Board to advise or exercise authority over staff. The Executive reports to the Board, never to a Board committee or officer.

- c. The Board will create a written charge for each Board committee, which will, at a minimum, specify the committee's duties, how committee members are appointed, reporting procedures and timelines. Committees may be composed of Board members and/or non-Board members. Board committees include the Audit Committee and the Endowment Committee. Members of existing Board committees will recommend new members and chairs for Board approval.

#### **4. Board Vacancies**

The President or his or her designee will consult with the Senior Minister and the Nominating Committee to identify candidates to fill an unexpired term. The Board will then select the new Board member and notify the Congregation of its selection. Every effort will be made to fill vacancies as promptly as possible.