

BOARD POLICY BOOK¹

THE COMMUNITY CHURCH OF CHAPEL HILL
UNITARIAN UNIVERSALIST

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As Amended Through November 10, 2015



¹ The Community Church operates under a policy governance model. The bylaws define the fundamental elements of the church's institutional structure, including the power and responsibilities of the Board of Trustees. This Policy Book provides more detailed guidance for handling a variety of issues relating to discernment, financial management, personnel matters, and church activities. These policies were first adopted March 13, 2012 and incorporate all amendments through the date cited above.

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1. GOVERNANCE

1.1. Definition & Philosophy

1.1.1. Definition

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

Governance is a collective, democratic process that produces lasting policies designed to direct many individual decisions. Church governance refers to the system adopted by a congregation for making decisions about articulating and implementing mission and vision, ensuring that the church serves its mission, evaluating church programs, and ensuring responsible stewardship of resources. It is best accomplished through democratic or representative bodies, including congregational meetings, the Board of Trustees, committees, and task forces. The Board of Trustees is responsible for leading the governance of the church.

1.1.2. Philosophy

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The congregation consists of church members, who are the highest governing authority in the church. Members are defined by their eligibility to vote, which is set forth in the church's articles of incorporation and bylaws. The congregation elects a Board of Trustees to serve as its governing body and calls a Minister to serve as its spiritual and its administrative leader working in conjunction with the Board of Trustees. The Board serves the mission of the church and, in communication with the congregation, sets policies, establishes a mission, creates a vision, develops a strategic plan, and ensures the church's financial prudence.

1.2. Board of Trustees' Pledge to the Congregation

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The Trustees' pledge to the congregation to fulfill our duties as Board members:

- By attending all Board meetings, if possible;
- By being fully prepared;
- By holding ourselves and one another accountable to our bylaws, policies and covenants;
- By striving to maintain a broad and non-individual vision of the congregation;
- By being direct, honest, and accountable with each other and the congregation;
and
- By striving to live fully our mission and vision.

Each year the individual Trustees will adopt a covenant with each other.

1.3. Board Self-Governance

1.3.1. Board Governance

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Board of Trustees' focus shall be on the long-term mission and well-being of the congregation. It shall respect the distinction between Board governance and ministry in its decision making. The Board governs by:

- Discerning and articulating the congregation's mission and vision of ministry;
- Setting goals and making strategic choices;
- Executing financial oversight to meet its financial fiduciary responsibility to the congregation;
- Creating written policies to guide the congregation's ministry;
- Monitoring and evaluating the congregation's leadership, including itself;
- Promoting transparency, collaboration and inclusiveness in all areas of church leadership; and
- Delegating Board authority to knowledgeable persons or committees where it promotes organizational efficiency.

1.3.2. Roles and Responsibilities of the Board of Trustees

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The Board represents and leads the congregation in the discernment of church priorities, the stewardship of church resources, and the assessment of the church's success in achieving these goals. In conversation with the congregation and the Ministry Team, the Board shall:

- Discern and communicate the mission and vision of the church;
- Engage in continuous strategic planning practices to discern, develop, and communicate strategic direction and define initiatives that will enable the congregation to live its mission and to achieve its vision;
- Create and communicate the church's annual vision of ministry;
- Develop continuous practices to monitor the church's success in living its mission and achieving the goals established in the annual vision of ministry;
- Monitor the church's financial condition and intervene as necessary to assure the church's financial affairs are prudently managed and that its assets are protected; and

- Direct and inspire the organization through the careful establishment of broad written policies reflecting the congregation's values, mission, and vision.

The Board shall develop practices and procedures that specify how the Board conducts its own business. Such practices must be designed to ensure: (1) prudent, ethical, and lawful conduct that is consistent with the church's Unitarian Universalist principles; (2) the discipline needed to govern with excellence, including regular discussion to identify opportunities for improvement in its governance process and performance; and (3) a Board communication process that keeps all Trustees informed and does not disadvantage any Trustee.

1.3.3. Roles of Church Officers and Non-Voting Board Members

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Board President, Vice President, Past President, and Board Member at Large are officers of the church.

- President

The job of the Board President is to assure the integrity of the Board's process. The President or her/his designated representative is the only person authorized to speak for the Board.

- The President ensures that the Board behaves consistently with the church's governing documents, these policies, and those requirements legitimately imposed upon it from outside the organization.
- The authority of the President consists of making any decision on behalf of the Board that falls within or is consistent with Board policies on governance process and the relationship between the Board and the Ministry Team.
- The President or designated representative is empowered to chair Board meetings with all the commonly accepted powers of that position (e.g., ruling, recognizing).
- The Board retains sole authority to define leadership limitations and therefore the President's authority does not extend to making decisions delegated to others in these policies or waiving leadership limitations.
- The President's authority does not extend to supervising or otherwise directing the Ministry Team.

- Vice President

The job of the Vice President is to serve on the Board of Trustees and to prepare to serve as the President. In the absence of the President (whether temporary or permanent), the Vice President shall assume all of the duties of the President.

- Past President

The job of the Past President is to serve on the Board of Trustees and to advise and assist the President and Vice President in carrying out their duties.

- Board Member at Large

The Board shall annually select a Board member to act as Board Member at Large for the Executive Committee. The Board Member at Large shall serve a term of one year and shall be eligible for re-election for not more than one additional year. The Board Member at Large shall be an officer of the church.

In addition to the Minister, the Secretary, Treasurer, and Assistant Treasurer are non-voting members of the Board.

- Secretary of the Board

The President will annually appoint, subject to confirmation of the Board, a member of the congregation to serve as the Secretary of the Board. The job of the Secretary is to assure the integrity of the Board's record. The Secretary is responsible for ensuring recording and distribution of accurate minutes of Board and congregational meetings.

- Treasurer & Assistant Treasurer

The Board will annually elect members of the congregation to serve as the Treasurer and Assistant Treasurer. The Treasurer shall report to the Board and assist the Board in its oversight of the congregation's finances. The Treasurer shall ensure that the financial operations of the church are in line with best practices and with the church's mission. The Treasurer shall collaborate with the Finance Committee in fulfilling the responsibilities of the office. The Treasurer may delegate authorities to the Assistant Treasurer or to other members of the congregation. The Assistant Treasurer shall assist the Treasurer in the performance of the Treasurer's duties.

1.3.4. Policies

Date Adopted: January 14, 2014

No Board action shall be considered a policy unless it is incorporated into these policies. The Governance Committee is responsible for making an initial determination of whether an issue is a matter of procedure or policy, subject to Board approval. If a matter of policy, the Governance Committee is responsible for making an initial determination if the matter is covered by an existing policy or if a new policy is needed.

Anyone can propose a new policy or an amendment to an existing policy. All policies and amendments must be adopted by the Board by majority vote. If any member of the Board requests, a new or amended policy must be brought to a second vote at a subsequent Board meeting. Otherwise, a policy may be adopted or amended at a single Board meeting.

If the Board finds a new or amended policy to be significant, it should also be publicized to the congregation.

The Governance Committee, working with staff, is responsible for ensuring that both the electronic copy and the hard copy of the policies are kept current.

1.3.5. Open Meetings

Date Adopted: January 14, 2014

All meetings of the Board of Trustees shall be open to anyone who wishes to observe, except that discussions of the following issues will take place at closed meetings:

- Personnel matters;
- Any matter concerning specific individuals in the congregation;
- Negotiations; and
- Litigation, potential litigation, or claims.

A record will be kept of all the matters to come before the Board and of the votes taken. The record will be made available to the congregation for review, except that a record of those matters taken up in closed meetings will be maintained in a confidential file.

1.3.6. Conflict of Interest

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

Trustees shall carry out their duties with undivided loyalty to the congregation and its mission. A conflict of interest exists whenever a Trustee or a close relative of a Trustee has interests or duties that interfere with the Trustee's duty of loyalty to the church and its principles.

- Conflicts of interest arise when a Trustee:
 - stands to gain or lose personally because of a Board action;
 - has a fiduciary duty or close personal or business relationship to any person or corporation that stands to gain or lose because of a Board action;
 - holds a substantial property interest or position in a corporation, business, or other organization that stands to gain or lose because of a Board action;
 - cannot set aside his or her personal preferences as an individual consumer of the church's services to vote on behalf of the whole congregation and its mission; or
 - faces any other situation that creates or appears to create divided or conflicting loyalties.
- If an issue that is to be decided by the Board involves a potential conflict of interest for a Board member, it is the responsibility of the Board member to:
 - identify the potential conflict of interest;
 - not participate in discussion of the issue being considered; and
 - not vote on the issue.

- It is the responsibility of the Board to record in the minutes of the Board meeting the potential conflict of interest, and the use of the procedures and criteria of this policy.

1.3.7. Board Committees & Task Forces

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Board may establish working groups to help it carry out its responsibilities. At the Board's specification, these working groups may operate as standing committees or time-limited task forces. In general, committees and task forces report to the Board, while ministries report to the Minister.

- All standing committees, except for the Nominating Committee, must have a charter outlining the specific written objectives of the committee approved by the Board. Except for the Nominating Committee, the charters are in Appendix A.
- Task forces may be formed by the Board at any time. The Board will clearly direct the task force by outlining specific objectives, any restrictions, and a time frame for completing its work.
- Working groups may not speak or act for the Board except when formally given such authority by Board action for specific and time-limited purposes.

The standing committees of the Board are the following:

- Committee on Ministry
- Finance Committee
- Governance Committee
- Human Resources Committee
- Stewardship Committee
- Strategy Management Team

The Board will inform the congregation of openings on the standing committees and will encourage self-nomination.

1.3.8. Board Monitoring Roles

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The staff, Ministry Teams, working groups, and Board shall engage in a continual process of monitoring and evaluation. The purposes to be accomplished through monitoring and evaluation are to foster excellence in ministry work by encouraging open communication and regular feedback among all whose work contributes to achieving the church's mission, to help the church to focus on its goals as adopted by the Board, and to ensure that all church leaders adhere closely to Board policies.

- The Chief of Staff shall be responsible for regular written financial reports showing overall financial performance compared to budget and highlighting significant financial or operational issues. Financial statements shall be made available to any congregation member wishing to examine them.
- The Board shall call upon the Ministry Team on a planned basis throughout the year to report more fully on the church's work in a given area, and to contribute expertise, information, and leadership. The purpose of these reports is to support the Board's learning and reflection on major areas of the church's mission, such as worship, religious education, social justice, membership development, community outreach, and stewardship of congregational property and wealth.
- The Board may inquire into specific questions of policy compliance, organizational concerns, or other serious issues by appointing a task force, committee, or outside consultant to assess some aspect of church program or organizational functioning.
- The Board will arrange for a review of the church's books on an annual basis. This review may be performed by one or more congregational members or outside consultants.

1.3.9. Board-Ministry Team Relationship

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

Ministry is the practical work of the church and consists of continually choosing means and methods, allocating resources, hiring staff, recruiting volunteers, providing leadership and support to enable them to serve the mission of the church effectively. Ministry is best accomplished through empowered Ministry Teams of people who share a sense of calling to particular forms of service. The Ministry Team consists of all people engaged in implementing the mission of the church and is led by the Minister. The Minister, as the called spiritual leader, is responsible for directing the church's ministry in accordance with Board policies.

The Board's official connection to the Ministry Team is through the Minister. The relationship between the Board of Trustees, which sets policy, and the Ministry Team, which determines means and manages church operations, shall be as follows:

- Only decisions of the Board acting as a body are binding on the Minister.
- All Board authority delegated to the Ministry Team is delegated through the Minister; so all the authority and accountability of the Ministry Team, as far as the Board is concerned, is considered to be the authority and accountability of the Minister.
- The Board will instruct the Minister through written policies, including Board decisions that appear in Board minutes.
- At least annually, the Board and the Minister will review and discuss their working relationship. The Board is responsible for monitoring Ministry Team performance. Performance will be monitored to determine the extent to which:

- the church's mission and annual vision of ministry goals are being met;
and
- the Ministry Team operates within the boundaries set by Board policies.

2. DISCERNMENT

2.1. Core Values

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

Core values are those values and behaviors the church intends to honor in all of its endeavors. The Unitarian Universalist principles are examples of core values. The question, “What principles do we intend to observe, no matter what?” helps lead to the discovery of core values.

The Board, Ministry Team, and congregation shall periodically consider the core values of the church. The Board shall determine the core values and publish them to guide the actions of all church leadership.

2.2. Mission

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The church’s mission is the good that the congregation means to do, whom it hopes to benefit, and how. It answers the question, “Whose lives do we intend to change and in what way?”

The Board, Ministry Team, and congregation shall periodically consider the mission of the church in order to establish a mission statement. The mission statement is a statement of the church’s mission, but does not necessarily encapsulate all aspects of the church’s mission. The Board shall finalize the mission statement and publish it to guide the actions of all church leadership.

The current mission statement is, “Inspired by the wisdom of diverse religious traditions and our own history of ethical engagement, we strive to nurture spiritual growth, support and care for each other, and effect change through our love for the world.”

2.3. Vision

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

A vision is a statement about what the church wants to become. It is a star to guide by, an imagined future state of the church as it becomes a better vehicle to serve our mission. It answers the question, “What will our church look like if we serve our mission well?”

The Board, Ministry Team, and congregation shall periodically consider the vision of the church. The Board shall develop the vision and publish it to guide the actions of all church leadership.

3. STRATEGY

3.1. Strategic Plan

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The strategic plan encapsulates the church's longest range plans. A strategic plan answers the question, "What major choices will we make about how we fulfill our mission?" The Board and Ministry Team shall develop a strategic plan that encompasses program development, membership development, a comprehensive financial plan, and a staffing plan. It shall publish the strategic plan to guide the actions of all church leadership. The strategic plan must be updated at least every three years.

3.2. Vision of Ministry

3.2.1. Vision of Ministry

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The Board and Ministry Team shall annually review, revise, and publicize a list of goals consistent with the strategic plan to be met within the next 3-5 years. These goals will be in the areas of program development, membership development, capital budget, and operating budget.

3.2.2. Annual Vision of Ministry

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The annual vision of ministry is the Board's short list of priorities to be accomplished during the upcoming one to three years. It is the short-term product of the Board's strategic planning process. The Ministry Team then translates the Board's annual vision of ministry into goals and objectives for the coming year.

4. MANAGEMENT

4.1. Delegation to Staff

4.1.1. Minister as Spiritual Leader

Date Adopted: April 13, 2010

Date Last Amended: October 13, 2015

The Minister will serve as the spiritual leader of the congregation.

4.1.2. Minister as Chief of Staff

Date Adopted: April 13, 2010

Date Last Amended: November 12, 2013

The Minister will serve as Chief of Staff. The Chief of Staff will exercise reasonable prudence in doing this work, designate a substitute during his or her absences, and report to the Board of Trustees.

The Chief of Staff shall lead and direct the programmatic and administrative work of the congregation. The Chief of Staff is responsible for making day-to-day decisions, allocating resources (including financial, property, and human), delegating duties, and adopting administrative practices consistent with these policies, with local, state, and federal laws, and with any direction from the Board of Trustees.

4.1.3. Staff Organization and Performance

Date Adopted: April 13, 2010

Date Last Amended: October 13, 2015

The Chief of Staff is responsible for maintaining a productive and effective staff team, ensuring that its efforts are directed toward fulfilling the mission and vision of the church. The Chief of Staff is also responsible for ensuring staff compliance with all Board of Trustees' policies. The Chief of Staff is responsible for conducting annual reviews (based on job descriptions) of all staff and for developing a plan to resolve any identified problems.

4.1.4. Conflict of Interest

Date Adopted: October 13, 2015

The staff, including the Chief of Staff, shall carry out their duties with undivided loyalty to the congregation and its mission. A conflict of interest exists whenever a staff member or a close relative has interests or duties that interfere with the staff member's duty of loyalty to the church and its principles.

- Conflicts of interest arise when a member of the staff:
 - stands to gain or lose personally because of their action;
 - has a fiduciary duty or close personal or business relationship to any person or corporation that stands to gain or lose because of their action;

- holds a substantial property interest or position in a corporation, business, or other organization that stands to gain or lose because of their action; or
- faces any other situation that creates or appears to create divided or conflicting loyalties.
- If the Chief of Staff has a conflict of interest in some matter, he/she should disclose that conflict in writing to the Board.
- If any other member of the staff has a conflict of interest, he/she should disclose that conflict in writing to the Chief of Staff, who is responsible to determine what actions, if any, are required to mitigate or eliminate such conflict.

4.1.5. Fundraising Delegated to Staff

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Chief of Staff is responsible for approving fundraising requests from Ministry Teams, as long as such requests are in accordance with the vision, mission, and strategy of the church. Twenty percent (20%) of net funds raised shall be apportioned to the operating funds of the church to cover overhead expenses, though the Chief of Staff has authority to reduce or waive this percentage on a case-by-case basis.

To maintain proper oversight, the Board of Trustees may periodically request a report on fundraising activities.

This provision does not apply to any funds raised in connection with capital campaigns (see Section 4.2.7) nor to the Endowment Fund (see Section 4.3.7).

4.1.6. Church Sponsorship

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The use of the name of the church as an official sponsor of an activity or position on an issue must serve the mission of the church and shall be allowed only by decision of either the Board of Trustees or by vote of the congregation. Members may nonetheless share our Unitarian Universalist values with the world and identify themselves as members of The Community Church of Chapel Hill Unitarian Universalist. Use of the church's banner requires approval of the Minister or Board President, who will consider its consistency with the church's mission, strategic plan, and legal status.

4.2. Powers Reserved to the Board of Trustees

4.2.1. Debt

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

Only the congregation can approve any new debt secured by the real property of the congregation. Only the Board of Trustees may approve any other new debt on behalf of the church and congregation. The Board of Trustees may authorize refinancing of debt.

4.2.2. Budget

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Chief of Staff, working with the Finance Committee, shall submit a church budget for approval by the Board of Trustees. The Board of Trustees may amend or ask for changes to the budget. The Board of Trustees will approve a tentative annual church budget prior to the beginning each fiscal year, and will approve a final church budget at the Board meeting that follows closing the books for the prior fiscal year.

Unless specifically limited by the Board, the Chief of Staff is authorized to shift a total of up to 1% of the budget among line items during the fiscal year, with the exception of staff salaries and benefits, as needed to handle changes in facilities and program funding. The Chief of Staff shall report such shifts to the Board at the next Board meeting, keeping track of all changes made during the fiscal year.

Budget transfers exceeding 1% of budget, or transfers related to staff salaries and benefits, need to be approved in advance by the Board. Any Board-approved budget transfers will not be included in the 1% transfer limit.

The Chief of Staff will provide the Board with financial reports on a quarterly basis and at such other times as the Board may request. If a deficit relative to the operating reserve target is projected at any point during the year, the Chief of Staff will present a revised budget with recommendations for meeting the target. The Board of Trustees may amend the budget at any time.

4.2.3. Investments

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

Only the congregation can authorize the purchase or sale of real property. Only the Board of Trustees can authorize investment in any instrument other than bank savings accounts and other secure investments in which the investment principal is not at risk.

4.2.4. Gifts to the Church

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

Donors may designate that their gifts go to the Endowment Fund, to any existing fund, or to any new fund that the Board of Trustees may choose to create. The Endowment Committee shall determine the acceptability of gifts to the Endowment Fund, and the Board of Trustees shall determine the acceptability of all gifts based upon their consistency with the mission of the church.

Bequests: Bequests include cash or cash equivalents, securities, trusts, and life insurance payouts. Unless otherwise designated by the donor, all bequests shall go to the Endowment Fund.

Memorial Gifts: In the absence of designation by either the family or the donor, memorial contributions shall go to the Endowment Fund. If a family designates that memorials for a family member go to a specific fund, all gifts identified as being given in honor of that person shall go to the specified fund unless the donor states otherwise, in which case the donor's designation shall determine the fund to which the gift goes.

Other: In the absence of a designation to a specific fund, gifts that are not bequests or memorial gifts shall go to general operating funds, unless there is a current capital campaign and the gift exceeds \$2,500, in which case the gift will go to the capital campaign.

4.2.5. Donations of Real and Personal Property

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

Only the Board of Trustees and the Endowment Committee may accept donations of real and personal property.

4.2.6. Stewardship

Date Adopted: October 9, 2012

Date Last Amended: October 13, 2015

Authority for the operations pledge campaign is delegated by the Board to the Stewardship Committee. It is the responsibility of the Board to actively participate in the campaign.

4.2.7. Capital Campaigns

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Board of Trustees has responsibility for capital campaigns.

4.3. Care for Resources

4.3.1. Tax-Exempt Status

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

No member, friend, staff person, or other person affiliated with the church shall take any action that will jeopardize the congregation's tax-exempt status under local, state, or federal law.

4.3.2. Accounting

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Chief of Staff is responsible for ensuring that the congregation's management of financial accounts follows appropriate accounting practices for congregations of our size.

The Chief of Staff is responsible for establishing procedures that shall govern the handling of receipts, approval of expenditures, payment of invoices and other obligations, management of invested funds, and access to financial information. The Chief of Staff shall confer with the Finance Committee in establishing such procedures.

The following persons are permitted to sign checks: the Treasurer, the Assistant Treasurer, and two other persons designated by the Board of Trustees.

4.3.3. Insurance

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The Chief of Staff is responsible for ensuring that the congregation shall carry adequate property, general liability, Trustees' liability, and Ministerial liability insurance and any other type of insurance necessary to:

- Protect the congregation's investment in land, buildings, and property;
- Protect the congregation and Board of Trustees against liability including legal expenses; and
- Protect the congregation and Board of Trustees against misdeed or malfeasance by the Minister(s), Chief of Staff, staff members, congregation members, visitors, and/or tenants.

The Chief of Staff shall annually review the insurance coverage and report concerns to the Board of Trustees.

4.3.4. Maintenance

Date Adopted: November 10, 2015

There are three categories of facility maintenance:

- Routine maintenance, which is a preventative activity that keeps facility items operating at the prescribed functional level. The activity may be scheduled either annually or at other frequencies.
- Replacements and alterations of at least \$1,000, where the latter are small capital expenses. Each year the Chief of Staff, with the assistance of the Buildings and Grounds Committee, will update a ten-year plan for facility replacements and desirable facility alterations. The Board will review and approve the updated plan.
- Emergency maintenance, which covers the costs of emergency repairs, replacements, or activities that must occur immediately to prevent or mitigate further damage or to restore vital functionality. Emergency repairs are not planned maintenance events but are instead curative activities that restore facilities so that they operate at their prescribed functional levels.

The budgets for each of these categories will be established as follows:

- Routine maintenance costs are included in the budget each year. The Chief of Staff has authority to approve these expenses as long as the total approved does not exceed the budget.
- Anticipated replacement and alterations costs are budgeted in maintenance reserves as specified in the section on Financial Reserves policy. The Chief of Staff has the authority to approve the accomplishment of a replacement or an alteration if the item is fully funded in the maintenance reserves.
- Emergency maintenance costs are paid from maintenance reserves to the extent that repair or replacement of the failed item was already planned to occur during the next three years, and are otherwise paid by operating reserves.

The Chief of Staff will inform the Board of any maintenance expenditure of ten thousand dollars (\$10,000) or more.

4.3.5. Financial Reserves

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

Financial reserves deal with significant unexpected or unpredictable financial contingencies the church may encounter, as well as predictable variations in cash flow. They equal total current assets (including the Endowment Fund) minus total current liabilities minus temporarily restricted funds minus permanently restricted funds (which at present is only the Endowment Fund).

Financial reserves include operating reserves, maintenance reserves, and ministerial transition reserves. Budgets shall be planned with the goal of maintaining these reserve fund balances as directed below:

- Operating reserves are held for the purpose of dealing with variations over time in cash flow, with emergency repairs, and with contingencies that are not covered by other reserves. Operating reserves shall have a target value, at the end of each fiscal year 2016 and beyond, equal to six percent (6.0%) of the completed year's budgeted expenses. Any difference between the actual and target values of operating reserves shall be eliminated within no more than three years.
- Maintenance reserves are held for the purpose of paying for non-routine major facility expenditures of at least one thousand dollars (\$1,000). Maintenance reserve balances shall be maintained so as to fund anticipated major facilities replacements as forecast for a 10-year horizon. The following percentages of each fiscal year's total income shall be allocated to the maintenance reserve fund: in fiscal year 2016, five percent (5.0%); in fiscal year 2017, six percent (6.0%); and in fiscal years 2018 and beyond, seven percent (7.0%).
- Ministerial transition reserves are held for the purposes of paying for substitute staff when regular staff members are on paid sabbatical, and for funding ministerial searches. Ministerial transition reserves shall have a target balance equal to the best estimate of the cost of the next ministerial search, amortized over an average ministerial tenure of six (6) years.

4.3.6. Temporarily Restricted Funds

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Board of Trustees creates temporarily restricted funds for programmatic and outreach projects and for other purposes in keeping with the mission of the church. The Board shall maintain temporarily restricted funds equal to the unexpended amounts that have been contributed, by church members, the Board, or other persons, for the specific purposes of those funds. When consistent with law, the Board may close any temporarily restricted funds to which no transactions have been posted for more than two years, and the monies therein will revert to operating reserves.

4.3.7. Endowment Fund

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

An Endowment Fund has been established by the congregation by resolution. The Endowment Committee elected by the congregation is responsible for all aspects of the Endowment Fund.

4.3.8. Benevolence Fund

Date Adopted: March 13, 2012

Date Last Amended: October 14, 2014

A Benevolence Fund shall be maintained by the congregation for the purpose of aiding needy individuals and organizations in the wider community that are not recipients of Share the Plate collections. Individuals within the congregation needing assistance shall

be aided by the Minister's Discretionary Fund. The Benevolence Fund shall be administered by the Benevolence Ministry working with the Minister. The members of the Benevolence Ministry shall be appointed by the Minister. The Benevolence Ministry shall develop and follow written procedures for the administration of, acceptance of contributions to, and disbursements from the Benevolence Fund.

4.3.9. Document Retention

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The Chief of Staff will develop written procedures to govern the retention, storage, protection, and destruction of documents, specifying who has access to each category of record. The procedures will include definite retention periods for financial, business, pastoral, personnel, and other types of records in both paper and electronic form, in compliance with UUA principles and all applicable laws. These procedures will be approved by the Board of Trustees, and any changes thereof must be approved by the Board of Trustees.

4.3.10. Contracts

Date Adopted: November 10, 2015

A contract is any agreement having a lawful object entered into between the church and any other person, group, or corporation, intending to create one or more legal obligations between them.

Those contracts that have a value greater than or equal to five thousand dollars (\$5,000) must be approved by the Board and signed by an officer of the church unless otherwise delegated (as in Section 4.3.4) to the Chief of Staff. Contracts with a value of greater than ten thousand dollars (\$10,000) should be competed among no fewer than three vendors, when feasible.

Approval of contracts that have a value less than five thousand dollars (\$5,000) is delegated to the Chief of Staff, if the funding for such a contracted agreement is covered by an existing Board-approved budget or is covered by the funds of an appropriate restricted account. The Chief of Staff may further delegate approval of these contracts in accordance with written procedures and guidelines, promulgated by the Chief of Staff, that among other things specifically address contracts involving contingencies that could pose a liability to the church.

4.4. Care for Staff

4.4.1. Equal Employment Opportunity

Date Adopted: March 13, 2012

Date Last Amended: November 10, 2015

The Community Church of Chapel Hill Unitarian Universalist is an equal opportunity employer. Decisions about recruiting, hiring, training, promotions, compensation, benefits, and all similar employment decisions must be made based on legitimate job

qualifications and performance and must be made without regard to race, gender, gender identity, color, religion, national origin, age, disability, pregnancy, or any legally protected classification. Discrimination in the workplace based upon any of these classifications is against our Unitarian Universalist principles and our policy.

Employees who believe this policy has been violated should report their concerns immediately to the Chief of Staff or, if the concerns involves the Chief of Staff, to the Chair of the Human Resources Committee. Any complaint of discrimination should follow the grievance procedures set out in Section 4.4.3.

Retaliation against individuals who make a claim of discrimination or participate in the investigation of such a claim is prohibited.

4.4.2. Harassment

Date Adopted: March 13, 2012

Date Last Amended: November 10, 2015

The Community Church of Chapel Hill is committed to providing a work environment free of harassment. The Community Church prohibits conduct that shows hostility or aversion toward an individual because of his or her race, gender, gender identity, color, religion, national origin, age, disability, pregnancy, or any legally protected classification, and that:

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
- has the purpose or effect of interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment opportunities.

Prohibited and unlawful harassment includes, but is not limited to, the following behavior which can be offensive because of its content relating to any protected classification:

- verbal conduct such as derogatory jokes or comments, slurs, or unwanted sexual invitations or comments;
- visual displays such as derogatory and/or sexually oriented postures, photography, cartoons, drawings, or gestures.
- physical contact, including assault, unwanted touching, intentionally blocking normal movement, or interfering with work;
- threats and demands to submit to sexual requests as a condition for continued employment, to gain some other benefit, or to avoid some loss; and
- retaliation for reporting or threatening to report harassment.

An employee who believes they have been subject to harassment in the workplace should report their concerns immediately to the Chief of Staff or, if the concerns involve the Chief of Staff, to the Chair of the Human Resources Committee. Any complaint of Harassment should follow the grievance procedures set out in Section 4.4.3.

4.4.3. Grievance Procedures

Date Adopted: March 13, 2012

Date Last Amended: November 10, 2015

The Chief of Staff, working with the Human Resources Committee, will develop procedures for addressing grievances from staff, whether direct hires or by contract, including grievances based on discrimination, harassment, or any other basis. Any grievance should be in writing and should be specific, including the names of individuals involved and the names of any witnesses. If this grievance cannot be resolved through this process, or if it involves the Chief of Staff, the employee shall submit the grievance to the Human Resources Committee, which shall gather the evidence necessary to conduct an investigation. The Human Resources Committee shall recommend a solution to the employee and the Chief of Staff. If the grievance is not resolved, the employee may seek a review by the Board of Trustees. The resolution recommended by the Board of Trustees will be final.

4.4.4. Evaluation of Staff

Date Adopted: March 13, 2012

Date Last Amended: December 10, 2013

The Chief of Staff, working with the Human Resources Committee, will develop a clear evaluation process based on employee job descriptions. Evaluations shall be conducted at least once a year and shall be used to encourage professional growth.

4.4.5. Employee Termination

Date Adopted: March 13, 2012

Date Last Amended: November 10, 2015

An employee may resign at any time. A three-week notice to terminate employment with the church should be given.

The Chief of Staff will develop procedures for the termination of an employee. The Chief of Staff may terminate an employee consistent with those procedures at any time.

4.4.6. Personnel Manual

Date Adopted: March 13, 2012

Date Last Amended: December 10, 2013

The Chief of Staff will develop personnel procedures in consultation with staff and working with the Human Resources Committee. These procedures must support the mission of the church and be consistent with Board policy. These procedures shall be incorporated into a personnel manual that the Chief of Staff will provide to each staff person.

4.4.7. Compensation and Benefits

Date Adopted: March 13, 2012

Date Last Amended: December 10, 2013

The Board of Trustees will make fair compensation of church staff a budget priority. Compensation will take into consideration UUA Fair Compensation Guidelines and recommendations of the Chief of Staff and the Human Resource Committee.

4.4.8. Members as Staff

Date Adopted: March 13, 2012

The Chief of Staff is authorized to determine which paid staff positions may be filled by church members.

4.4.9. Selection of Staff

Date Adopted: March 13, 2012

Date Last Amended: December 10, 2013

The Chief of Staff, working with the Human Resources Committee, is responsible for the development of new staff positions and for changes in existing positions. New staff positions are subject to approval by the Board of Trustees.

The Chief of Staff is responsible for the selection of staff. The Chief of Staff shall seek assistance from the Human Resources Committee in the recruitment of staff.

4.5. Care for People

4.5.1. Non-Discrimination

Date Adopted: March 13, 2012

Date Last Amended: November 12, 2013

The Community Church of Chapel Hill Unitarian Universalist is a welcoming congregation. Membership in the church and participation in all aspects of church life will be encouraged without regard to race, gender, gender identity, color, religion, national origin, age, disability, or any other classification.

Participation in all aspects of church life should be free of harassment of any kind.

Anyone who feels that they have experienced discrimination or harassment should report this to either the Chief of Staff or the President of the Board of Trustees.

5. OVERSIGHT

5.1. Monitoring

5.1.1. Chief of Staff Monitoring Role Date Adopted: March 13, 2012

The Chief of Staff shall be responsible for providing regular written reports to the Board.

- Reports shall focus on progress on priorities, as set forth in the annual vision of ministry, and on compliance with Board policy.
- Financial reports shall show overall financial performance compared to budget and highlight significant financial or operational issues. Financial statements shall be made available to any congregation member who wishes to examine them.
- The Chief of Staff shall also provide to the Board such other reports as the Board may request.

5.2. Evaluation

5.2.1. Program Evaluation Date Adopted: March 13, 2012 Date Last Amended: November 12, 2013

As part of discerning the annual vision of ministry, the Board and Chief of Staff, working with the Committee on Ministry and the Strategy Management Team, shall review progress on the prior year's annual vision of ministry and, more generally, progress in implementing the strategic plan.

5.2.2. Board and Chief of Staff Evaluation Date Adopted: March 13, 2012

At least once a year, Board members and the Chief of Staff shall evaluate their own and one another's contributions to the church's mission.

5.2.3. Staff Evaluations Date Adopted: March 13, 2012

The Chief of Staff shall be responsible for creating and carrying out an annual cycle of evaluation of staff as per Section 4.4.4 of these policies.

5.2.4. Minister Performance Review

Date Adopted: March 13, 2012

Date Last Amended: October 13, 2015

The Minister shall be reviewed annually by the Committee on Ministry. The review will be a part of the overall program evaluation as described in these policies.

The goals of the review are to:

- assess the Minister's role in furthering the overall mission and vision of the church;
- support the Minister to remain motivated, creative, and flexible; and
- equip the Minister and Board to correct any problems and maintain an effective partnership to advance the mission and vision of the church.

The Committee on Ministry and Minister shall begin the process by mutually setting criteria for the review to be performed. The criteria may include items such as mission, covenant with congregation, letter of call, annual vision of ministry goals, strategic goals which may be appropriate, areas identified as needing strengthening per previous review, and goals that the Minister shall set.

The Committee on Ministry shall establish procedures for the review to be approved by the Board. The committee shall prepare a written report annually for the Board and the congregation.

APPENDIX A. STANDING COMMITTEES OF THE BOARD

Committee on Ministry

Date Adopted: October 8, 2013

Date Last Amended: November 10, 2015

Mission

The Committee on Ministry (CoM) is responsible to the Board of Trustees for supporting and monitoring the health of the church-wide ministry.

Membership

The CoM shall consist of six (6) members, serving staggered three-year terms coincident with the fiscal year. The Board selects all of the members, and no current Board member may serve on the CoM. For a newly settled Minister, four members of the CoM will ideally be from the search committee and two members will be selected by the Board. Thereafter, the Board will annually appoint two new members to replace the retiring CoM members. The Board may, at any time, appoint new members to fill the remaining term of any position that has become vacant. The Minister will submit a list of nominees to fill each vacancy, and the Board will select a replacement from the list provided. If the Board does not agree to any of the individuals proposed by the Minister, the Board shall ask the Minister to submit additional names. No one can serve more than two consecutive terms.

Role of the CoM

- Support for Minister

The CoM will serve to support the Minister and to facilitate dialogue between the Minister and the congregation.

- Annual Review of Ministries

The CoM will review and monitor the health and progress of the ministries of the church in conjunction with the Strategy Management Team.

- Annual Review of Minister

In connection with the annual review of ministries, the CoM will conduct an annual review of the Minister. It will establish procedures to be approved by the Board. The procedures will include the following principles:

- The CoM will solicit feedback from congregation leaders and staff, and will invite feedback from all congregation members.

- All communications with the CoM shall be open with no anonymous or unsourced information. The CoM will provide the Minister with feedback but has the discretion to keep sources confidential.
- Where possible, the CoM will encourage congregation members with concerns to address them directly with the Minister. The CoM will serve to facilitate those discussions when appropriate.

The annual goals for the Minister will be developed jointly between the CoM and the Minister based on such items as the mission, covenant with congregation, letter of call, annual vision of ministry goals, strategic goals as appropriate, areas identified as needing strengthening in previous reviews, and goals that the Minister shall set.

- Grievances

The CoM shall be responsible for addressing and resolving grievances between congregation members on the one hand and the Minister on the other. The parties should be encouraged to address and attempt to resolve all differences directly whenever possible. When direct communications have not resolved the issue, the CoM will facilitate further dialogue.

- Annual Review of Minister's Compensation

The CoM will annually review the Minister's compensation package and, after consultation with the Finance Committee, will negotiate any changes to the package subject to Board approval.

Finance Committee

Date Adopted: December 10, 2013

Date Last Amended: October 13, 2015

Mission

The Finance Committee shall assist the Board in its oversight of the congregation's finances.

Membership

The Finance Committee shall be chaired by a member of the Board, and shall include, at minimum, another member of the Board and the Treasurer. Additional members, including congregational members not on the Board, may be appointed by the Board. Appointments shall be for one-year terms, coincident with the calendar year, which may be renewed without limitation.

Duties

The Finance Committee shall:

- work with Chief of Staff to develop information for the Board;
- ensure that financial reports are clear and helpful;
- function as a conduit between Chief of Staff and Board in the budget-planning process;
- review proposed budgets and provide feedback to the Chief of Staff regarding the consistency of any proposed budgets with the vision and mission of the church;
- coordinate the annual internal or external review;
- hold educational sessions, when requested, to ensure that Board Members and the congregation have adequate understanding of the congregation's financial standing and goals;
- develop and review policies related to church finances, bringing recommended changes to the Board for action; and
- develop and review procedures to implement financial policies.

The committee has no management authority, and shall not participate in day-to-day financial decision-making.

Governance Committee

Date Adopted: November 12, 2013

Date Last Amended: November 10, 2015

Mission

The Governance Committee shall:

- review Board policies for consistency with the mission, vision, and bylaws of the church;
- review bylaws for consistency with the mission and vision of the church;
- review issues to determine if they are matters of procedure within the purview of the Chief of Staff or of policy within the purview of the Board;
- determine if issues that are matters of policy have already been addressed by a policy; and
- review and propose revisions to policies and bylaws as needed.

Membership

Members of the committee are the Vice President of the Board serving a one-year term, and two other members serving staggered two-year terms. At least one of these other members of the committee must be a Board member. Except for the Vice President, all committee members shall be appointed by the Board. All terms shall be coincident with the calendar year.

Human Resources Committee

Date Adopted: October 8, 2013

Date Last Amended: October 13, 2015

Mission

The Human Resources Committee shall:

- work with the Chief of Staff to develop and review the personnel policies of the church, including a staff grievance procedure;
- in accordance with church budget cycle, establish the costs of maintaining staff with fair and appropriate salaries and benefits, based on UUA guidelines, local cost-of-living index, and best practices outlined by the Albans Institute;
- serve as the primary communications vehicle on staff personnel issues between the Chief of Staff, staff, and the Board of Trustees;
- serve as intermediary for staff grievances that cannot be resolved by or with the Chief of Staff and present recommendations to the Board for action; and
- work with the Chief of Staff to ensure the most efficient utilization of staff.

Membership

The committee will have at least three members serving two-year staggered terms coincident with the fiscal year. All committee members shall be appointed by the Board.

Stewardship Committee

Date Adopted: October 13, 2015

Mission

Financial stewardship is a year-round activity that seeks its inspiration from our mission. Stewardship is crucial to our church's ability to carry out our mission and is best viewed by the Board, staff, and congregation as a form of spiritual practice that comes from, and can deepen, our individual and collective connection to the church, our community, and our mission. The Stewardship Committee is therefore a year-round committee that is responsible for leading financial stewardship activities and the design and implementation of the annual operations pledge campaign.

Membership

The membership consists of a Chair appointed by the Board, the Minister, and such other members as are approved by the Board. At least one of these additional members shall be a member of the Board. Appointments shall be for two-year staggered terms, coincident with the fiscal year, except that the Board member(s) shall serve on a calendar year basis.

Tasks

The Stewardship Committee shall:

- develop and deliver communication strategies year-round that seek to develop financial stewardship as spiritual practice;
- collaborate with the Minister in communicating the annual vision of ministry and the proposed budget to the membership through the annual operations pledge campaign;
- develop and accomplish procedures for interacting with all members of the congregation and with all others who potentially will initiate or renew their pledges;
- evaluate year-round financial stewardship and the annual operations pledge campaign and report to the Board the results of that evaluation; and
- regularly consider various models for financial stewardship and for organizing an annual operations pledge campaign, and make recommendations to the Board for how we can strengthen our stewardship program.

Strategy Management Team

Date Adopted: October 8, 2013

Date Last Amended: November 10, 2015

Mission

The Strategy Management Team is responsible for management of strategic plan implementation.

Membership

The Strategy Management Team shall usually be chaired by the Past President and shall include, at minimum, the Minister, another Board member, and two members from the congregation. The Board members and congregation members shall be appointed by the Board for one-year terms, coincident with the calendar year, which may be renewed without limitation.

Tasks

The Strategy Management Team shall:

- recommend to the Board, at intervals consistent with these Board policies, updated strategic plans for affirmation by the congregation;
- collaborate with the Minister in developing the annual vision of ministry to be presented to the Board annually at the December Board meeting;
- identify key volunteer positions needed for the implementation of the strategic plan; and
- collect data annually from the committees, ministries, and congregation of the church for the purposes of:
 - preparing an annual report;
 - monitoring implementation of the strategic plan; and
 - providing the Committee on Ministry with information to evaluate the health and progress of the church.