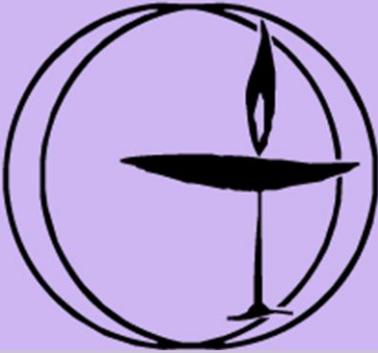


Shared Governance Report, Phase I



First Unitarian of Albuquerque

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December 15, 2012

1.0 Introduction

Last year, the Policy Governance Task Force (PGTF) was created by the Board. The PGTF was charged with proposing a basic approach to policy governance, initially focused on finance functions of the Church. Due to the breadth of the project, delineating our policy governance framework and proposed revised by-laws to reflect this framework are being considered the product of Phase I. Phase II would be to develop a *Church Policy Manual* relating to this framework. Members of the Task Force are John Kwait, Tom Wofford, Geri Knoebel, Pat Diem, and Christine Robinson.

BOARD ACTION REQUESTED: Approval of Shared Governance, Phase I Report and revised by-laws and proceeding to Phase II, *Church Policy Manual*.

This first phase included researching governance structures of other UU Congregations as well as studying models by John Carver and Dan Hotchkiss. The PGTF decided to refer to this project as "shared governance" rather than "policy governance", since the latter term is copyrighted by John Carver and subsequently decided not to use his model. Hotchkiss' *Governance and Ministry: Rethinking Board Leadership* was a frequent reference in developing this governance structure.

Some elements of policy governance have already been adopted or proposed including:

- Realigning the financial division of responsibilities by amending by-law provisions for Treasurer, Finance Committee, and budget preparation practices;
- Appointing Senior Minister as Head of Staff by the Board;
- Reporting to Congregation on shared governance principles;
- Proposing by-laws which are organization-based (Congregation, Board, Ministers) to be considered at the January 2013 annual meeting.

2.0 Phase I Summary

The Phase I Report focuses on the shared governance structure as well as the shared roles of the Congregation, Board and staff in this model. Sections included in this Report:

- 3.0 Shared Policy Governance
- 4.0 Specific Areas of Responsibilities
- 5.0 Shared Management Responsibilities
- 6.0 Financial Division of Labor
- 7.0 Decision-making under Shared Governance
- 8.0 Recommendations regarding *Church Policy Manual*

3.0 Shared Policy Governance (based on proposed by-laws)

The Church is governed by its elected Board, including the Senior Minister, with many specialized tasks (finance, property, strategic planning) delegated to committees of volunteers. The largest issues of governance are reserved for the Congregation including elections, approval of property purchase/construction/sale, borrowing money and amending by-laws. Standing Committees of the Congregation are the Leadership Succession Committee, Finance Review Committee, and the Endowment Committee.

The Congregation elects a Board to function as its governing body and a Senior Minister to serve as its spiritual, programmatic, and administrative leader. The Board governs by representing the membership

through adopting policies, planning, ensuring responsible stewardship of our resources, adopting annual goals, and monitoring performance.

The Board's focus is on the long-term mission and well-being of the Congregation and as much as possible will delegate management decision making. The Board's strategic planning responsibilities include:

- visioning needs for future facilities and programs,
- functioning as a governance body for the Church,
- establishing policies to implement bylaws and governance provisions,
- setting annual governance objectives,
- planning for fundraising to meet future needs, and
- initiating task force actions to address identified long term needs.

The Board may form committees (long term) or task forces (short term) which consist of Board and non-Board members to assist it with specialized functions. Committees provide expertise to the Board in specific areas such as finance, stewardship, personnel, and healthy community. Task forces include such things as Design and Construction, Governance Task Force, Capital Drive, and Sanctuary.

The Board delegates authority to the Senior Minister concerning the operations of the Church. The Senior Minister serves as head of staff.

The Management of the Church is shared between Staff (through the head of staff) and Board, with areas of responsibility changing from time to time by mutual agreement. Members help in specified ways (organizing a stewardship campaign, for instance). The division of management responsibilities between the Board and Staff will be detailed in the *Church Policy Manual*, which will be updated by the Board as needed to reflect the agreement between the Board and the head of Staff.

Program Teams and Councils are responsible for the Church's ministry and programs: those activities which enrich the lives of Church's constituents and its community. They include: Worship, Religious Education, Social Responsibility, and Community Caring and Activities. Church Staff is responsible for supporting the effectiveness of Program Teams and Councils. Councils form when multiple teams in crucial areas of the Church's ministry (such as RE and Social Justice) need a structure to come together to share information, leadership, and administrative tasks. The programs of the Church are run by volunteer Church members with management help from the staff. The staff also runs some programs directly.

Our current structure reflects the concepts contained in this document. However, the role of the PGTF was to make recommendations to align our structure with policies that define roles, responsibilities, inter-relationships of governance and programs. The figure below depicts the governance and program organizational structure in this model.

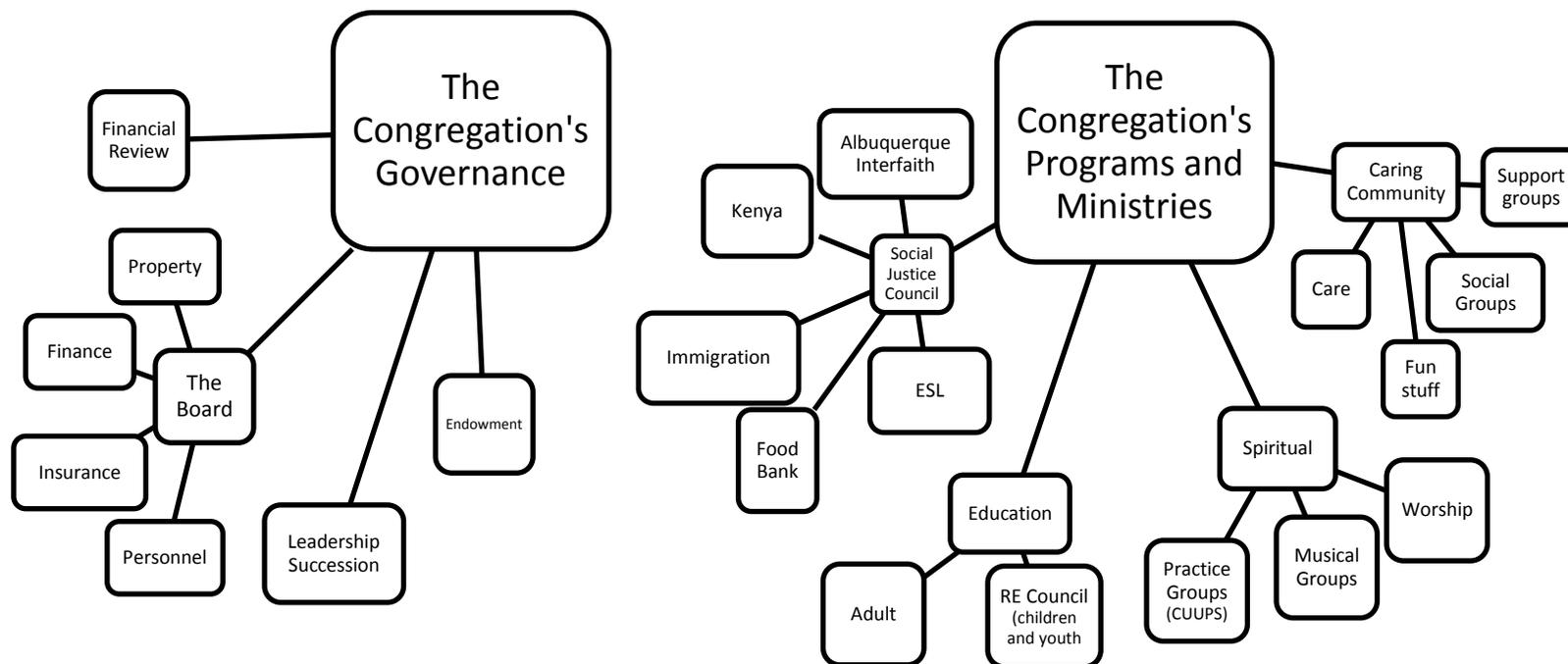


Figure 1: First Unitarian Organization Chart as proposed in draft by-law amendments

4.0 Specific Areas of Responsibilities

Specific areas of responsibilities of the Congregation, Board, and staff as defined by by-laws, policies, and practice are delineated in the table below:

Area	Responsible Party
Congregation is responsible for:	Budget, electing Senior Minister, Board members and Standing committee members, authorizing indebtedness, by-law amendments. Leadership Succession Finance Review Endowment
Board is responsible for things like:	Stewardship Campaign Capital Campaign Budget recommendation Property Improvement and Stewardship Financial Condition and Planning Strategic Planning Asset Protection Healthy Community
Staff is responsible for things like: Management	Budget Preparation Coordination of Ministry and Programs Staff Management LEAD Team (Program Team) Rental Management Healthy Community

Table 1 Congregation, Board, and Staff Responsibilities

5.0 Shared Management Responsibilities

The management of the Church is shared between Staff (through the head of staff) and Board, with areas of responsibility changing from time to time by mutual agreement. The Board adopts policies, delegates authority, and holds staff accountable for performance through monitoring. Members help in specified ways such as organizing a stewardship campaign.

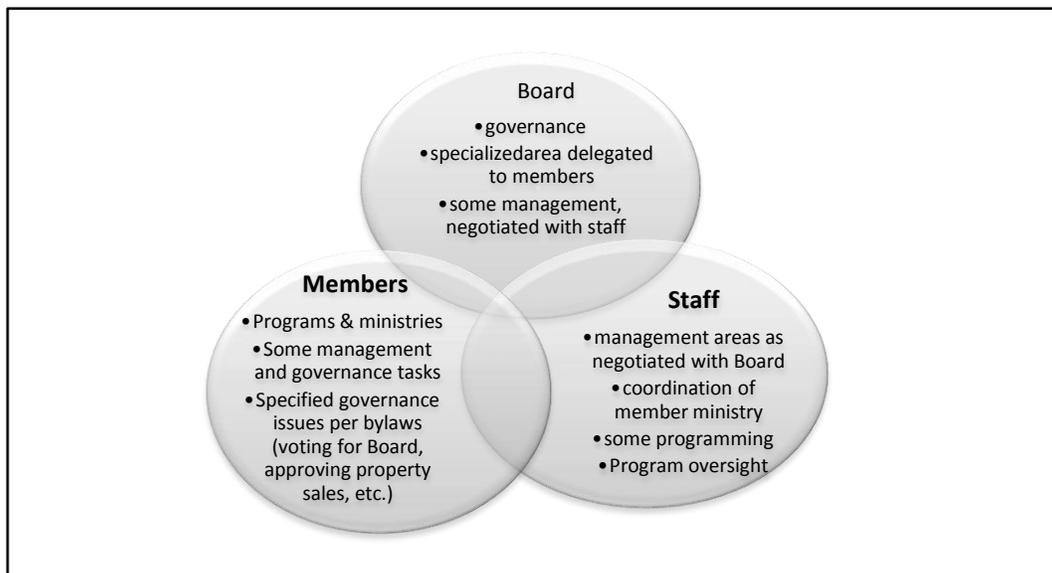


Figure 2 Shared Management Responsibilities

6.0 Financial Division of Labor and Responsibilities

The initial step in implementing shared governance was to align financial division of labor and responsibilities in a shared governance model. At its January 2012 meeting, the Congregation approved by-law amendments to revise and clarify the roles of the Board, Treasurer, Finance Committee, and staff in the financial operations of the Church. The budget process was modified so that staff prepares the budget with the Board providing policy for budget priorities, developing income projection guidelines, and determining the salary of the Senior Minister. The Finance Committee then reviews the proposed budget for soundness and accuracy. The Board approves the budget and submits it to the Congregation for a vote. This process was successfully used in the preparation and approval process of the 2012 operating budget.

7.0 PGTF Recommendations

The PGTF recommends that the Board approve this Phase I report and revised by-laws and charge the Task Force with completing the *Church Policy Manual* by the end of 2013. The Board would then recommend to the Congregation at the 2013 Annual meeting that the revised by-laws be approved.

In addition, the PGTF recommends that the Church homepage includes a prominent link for “Shared Governance and Stewardship.” Information on the website would include narrative as well as detailed listing of documents relating to Church governance, operations and programs. To compliment this, the PGTF recommends that the Church develop a search engine so the Church information can be made readily accessible.

A sample of content on this page would include:

Church Governance

- Shared Governance , Phase I report – Present to Board at December, 2012 meeting
- *Church Policy Manual* – Draft to the Board in December 2012
- Identification of additional Policies Needed – December, 2012

Board Policies

- These become Congregational policies.
- Safe Congregation Policies and Procedures – Do we have this? If not, we could consolidate the Compendium of Polices related to this that we already have.
- Fund Raising Policy - Nancy K and June working on this
- Personnel Policy – we have
- Space Use Policy – do we have this
- Building Rental Application Form – we have
- Stewardship at First Unitarian Church – do we have
- Do we have policies that govern RE?

New Sanctuary Project

- What links should be included?
- Capital Campaign Online Pledge Form

Stewardship

- Operating Budget Online Pledge Form – we have
- Capital Campaign Online Pledge Form – we have
- EFT Form for Automatic Pledge Payment –we have

Church Reports

- Annual Meeting Reports and Minutes – we have
- Financial Reports – don't do this now
 - 2011 Internal Audit Report
 - Financial Statements – annual, monthly - which ones or how to do this

8.0 Recommendations regarding *Church Policy Manual*

The PGTF recommends that a new task force be formed to continue the creation of the church policy manual to replace the “compendium of church policies.” Some of the preliminary work on this has already been done.

This manual should have policies in two areas: First, Congregational Policies, which govern Endowment, Leadership Succession, and Financial Review. (Policies governing the scope of work of the Board are included in the Article of the ByLaws.) The second section will be Board policies. The Task Force should collaborate with the Standing Committees on the development of policy and develop and recommend Board policy.

Proposed Structure for Board Policies

Area	Sections	Status
I.Shared Governance	Shared Governance	Phase I report; section completed in draft Manual
II.Board Governance	Philosophy of governance Board responsibilities Committees & Officers responsibilities Board covenant Board self-governance	Adopted by Board Proposed by-law amendment Proposed by-law amendment Modified Hotchkiss Completed in draft Manual
III.Discernment	Mission statement Core values	In by-laws UU seven principles
IV.Strategy	Strategic plan Vision of ministry	Task Force formed by Board Needs further work
V.Board – Senior Minister Relationship Policies	Division of Responsibilities Monitoring performance of Shared Responsibilities Ministerial performance	Developed in draft Manual Developed in draft Manual In practice already
VI.Financial division of labor & responsibilities	Board budget development policies and procedures Budget preparation procedures	by-laws + policies Approved in January 2012
VII.Management	Delegation to staff Care for people Care for staff Risk Management	Modified Hotchkiss Modified Hotchkiss + 1 st U policies By-laws
VIII.Oversight	Monitoring	Developed from modified Hotchkiss + 1 st U policies