



BOARD OF TRUSTEES POLICY BOOK

Revised 06/15/2025

BOARD POLICIES

Mission Statement

Bound by courageous love, growing in spirit, and inspiring compassionate action.

Vision Statement

Creating a just world through vibrant, beloved community.

Introduction

Overview

1. Board Governance
 - 1.1. Role of the Board
 - 1.2. Board Officers
 - 1.3. Board Committees
 - 1.4. Expectations of Board Members
 - 1.5. Auxiliary Organizations (reserved)
 - 1.6. Endowment Fund
2. Delegation to the Staff
 - 2.1. Global Delegation to the Lead Minister
 - 2.2. Lead Staff Team
3. Guidance and Limitations
 - 3.1. Personnel Decisions
 - 3.2. Care for Paid Staff
 - 3.3. Care for Members and Guests
 - 3.4. Care for Material Resources
4. Board Oversight
 - 4.1. Mission Focus
 - 4.2. Monitoring
 - 4.3. Evaluation

INTRODUCTION

See APPENDIX A for a brief history and introduction about how the board transitioned to a Mission-Based Governance Model. See APPENDIX B for a description of Mission-Based Governance.

OVERVIEW

Using the authority Eliot Chapel has given it through the bylaws, the Board has adopted the following policies. The Board records its actions in its minutes; for ease of reference, it also records in this policy book any action intended to authorize others to make decisions or to control multiple decisions over time.

1.0. BOARD GOVERNANCE

1.1. Role of the Board

The Board will govern primarily by discerning mission; planning for the future; partnering with the Lead Minister and staff; holding leaders of Eliot Chapel, including its own members, accountable for their performance, and ensuring that the governance policies needed to do the work of the church are developed and updated as needed.

1.1.1. Annual Board Work Products

In concert with the Lead Minister, staff, and the congregation, the Board will produce and adopt:

- An annual short list of Open Questions about Eliot Chapel's future as the basis for ongoing planning conversation within the Board, with the Lead Minister and staff and with the congregation at large.
- A Rolling Roadmap, consisting of a short list of top-priority areas where Eliot Chapel will advance its work in the coming year as a starting point for budgeting and staff planning.
- An annual review of Eliot Chapel's success or difficulties in achieving the prior year's Rolling Roadmap aims. The timing of this review will be at the discretion of the Chair.
- An annual, mutual Evaluation of the Lead Minister's and Board's effectiveness in their respective roles in achieving the prior year's Rolling Roadmap aims.

1.1.2. Less Frequent Board Work Products

In concert with the Lead Minister, staff and congregation, the Board will produce and adopt:

- A Triennial Evaluation of the Lead Minister's performance in their wider role. The Board will address any immediate issues that may arise in the interim.
- A Strategic Plan, to be updated every five to ten years, consisting of a short list of the most important results the Board intends to achieve through Eliot Chapel's ministry and the strategic choices (regarding program, membership, capital and operating budgets, and staffing) the Board has made about how to achieve those results.

- A Mission Statement to be updated as needed, that articulates Eliot Chapel's purpose and related statements (vision, values, and a tagline) to communicate the reasons for Eliot Chapel's work.

1.2. Board Officers:

In addition to the duties defined by the bylaws, the officers have the following responsibilities:

1.2.1. The Board Chair prepares the Board's agenda, facilitates or arranges for facilitation of Board meetings and works in partnership with the Lead Minister to ensure productive partnering between the Board and staff.

1.2.2. The Chair Elect assists and substitutes for the Board Chair upon request. The Chair Elect is responsible for leading the Rolling Roadmap Team which monitors the current year's Rolling Roadmap, leads the congregation's engagement with the Open Questions, and develops a proposed Rolling Roadmap for the coming year. The Chair Elect is responsible for recruiting members of the Rolling Roadmap Team.

1.2.3. The Secretary ensures the safety and accuracy of Board records, including the minutes and these policies. In cooperation with the staff, The Secretary sees that minutes and Board policies are promptly posted on the Church website.

1.2.4. The Treasurer supports the fulfillment of the Board's financial oversight responsibilities by working with the staff to ensure that appropriate financial reports are made available to Board members on a timely basis. The Treasurer serves on the Finance Committee and is responsible for the monthly reconciliation which becomes one form of oversight. The Treasurer completes an annual review of the Lead Ministers Discretionary Fund. The Treasurer provides a yearly report to the Board of Trustees, which will be presented to the congregation at the annual meeting

1.3. Board Committees

Committees exist to help the Board to govern and not for administration or program management or to make decisions on the Board's behalf. (To manage programs, finances, and operations, the Church uses Ministry Teams supervised by the staff.) The standing Board committees are:

1.3.1. Finance Committee

The Finance Committee exists to support the Treasurer with budgeting, financial policies, and financial decision-making as the Treasurer works with the Board of Trustees. The committee is responsible to the Treasurer and assists in completing the Treasurer's financial duties.

- 1.3.1.1. The charter clarifies the objectives and operational guidelines of the committee in support of the concepts of transparency, financial prudence, and overall good governance.
- 1.3.1.2. Objectives of the Finance Committee

- 1.3.1.2.1. Monitors the finances of the Congregation and advises the Board and Lead Minister of important issues and concerns. This could include revenues, expenses, investments (Endowment Fund and other funds), and capital expenses.
 - 1.3.1.2.2. Reviews the proposed annual budget.
 - 1.3.1.2.3. At least every three years, the Board will authorize the Finance Committee to engage a qualified professional to conduct an audit or review of Eliot Chapel's financial records and report in writing to the Board.
 - 1.3.1.2.4. As appropriate, reviews the accounting and financial systems to improve efficiency, transparency, and timeliness and recommends changes.
 - 1.3.1.2.5. As appropriate, reviews the banking and investment practices and suggests changes.
- 1.3.1.3. Organization of the Committee
 - 1.3.1.3.1. The committee is composed of the Treasurer and 2-4 members in good standing of the Congregation as approved by the Board. A member in good standing is as defined in Article 3 of the By-laws.
 - 1.3.1.3.2. Members will serve at the pleasure of the Treasurer.
 - 1.3.1.3.3. The members will have terms of three years with a maximum of two consecutive terms.
 - 1.3.1.3.4. The Lead Minister is an ex-officio member of the committee and may delegate that responsibility to the Director of Business Administration.
 - 1.3.1.3.5. The Chair of the Committee is the Treasurer.
 - 1.3.1.3.6. The Chair may appoint members to undertake specific tasks as required.
 - 1.3.1.3.7. Most meetings are open to the Congregation. Executive Session meetings may be designated when confidential issues are being discussed.
- 1.3.1.4. Committee Operational Guidelines
 - 1.3.1.4.1. The committee will meet as necessary at a suggested four to six times a year.
 - 1.3.1.4.2. A meeting agenda will be prepared by the Treasurer and sent to all members in advance.

- 1.3.1.4.3. A record of each meeting will be kept and will specify any recommendations that were made or actions taken.
- 1.3.1.4.4. All decisions should be made by consensus, but the Treasurer has the final word.
- 1.3.1.4.5. The committee will establish its own meeting dates, time, location, or other matters for the effective operation of the committee.

1.3.2. Personnel Committee

The Personnel Committee ensures that Eliot Chapel is following applicable labor laws and the Eliot Chapel Policies regarding personnel.

- 1.3.2.1. The Committee has no staff management authority and does not participate in supervision or personnel decision-making.
- 1.3.2.2. When the Personnel Manual is amended, the Lead Minister shall request the Personnel Committee to review the amendment to ensure it is consistent with Eliot Chapel's policies and labor law.
- 1.3.2.3. The Lead Minister and Personnel Committee will conduct a periodic review of the Personnel Manual to ensure it reflects applicable labor laws, Eliot Chapel policies, and updated recommendations from the UUA regarding staffing.
- 1.3.2.4. The Personnel Committee, in partnership with the Lead Minister, is responsible for reviewing the Personnel Manual on a periodic basis and developing updates that are guided by UUA recommendations, industry best practices, and the Chapel's mission and vision.

1.3.3. Nominating Committee

In addition to the duties prescribed by the bylaws, consults annually with the Board to ascertain future leadership needs in the light of members who are rotating off the Board.

1.4. Expectations of Board Members

1.4.1 Board Covenant

The purpose of this covenant¹ is to strengthen our relationships, to serve our congregation faithfully, and to ground all that we do with love at the center.

We, the Board of the Eliot Unitarian Universalist Chapel, covenant to:

- Serve the mission of the congregation.
- Center our work within Eliot Chapel's Congregational Covenant.

¹ Credit: inspired by and adapted from the board covenants of The Unitarian Universalist Fellowship of Central Oregon and The Boulder Valley Unitarian Universalist Fellowship.

- Respectfully receive issues brought to the Board by congregational members.
- Stay in relationship with one another through compassionate candor, presumed good faith, and active listening.
- Respect our time together by honoring our commitments and being prepared for meetings.
- Uphold Board decisions and speak with one voice.
- Continually deepen our practice of Unitarian Universalism.

1.4.2. Conflicts of Interest

The Board expects all its members to carry out their duties with undivided loyalty to the Church and its mission. A conflict of interest exists whenever a Board member has interests or duties that may hinder or appear to hinder the Board member from fulfilling this duty.

- 1.4.2.1. Definition. Conflicts of interest arise when the Board member:
 - 1.4.2.1.1. Stands to gain or lose financially because of an action of Eliot Chapel in which he or she has a decision-making role
 - 1.4.2.1.2. Cannot set aside his or her personal preferences as an individual consumer of Eliot Chapel's services to act on behalf of the whole of Eliot Chapel and its mission.
 - 1.4.2.1.3. Faces any other situation that impairs or reasonably appears to impair his or her independence of judgment.
 - 1.4.2.1.4. Has a close relationship with someone who has a conflict of interest, as defined here. A close relation includes any person, corporation, or other business entity with which the Board member has a close personal, family, or business relationship.
- 1.4.2.2. Conflict of Interest Disclosure. The Board will annually require its members to disclose in writing all existing or foreseeable conflicts of interest. Disclosure forms must be kept by the Secretary and made available to any member of the Board who asks to see them.
- 1.4.2.3. Conflict-of-Interest Process. When a Board member reports a potential conflict of interest related to a matter before the Board, the Board (minus the affected member) will determine how to handle the situation. Possible responses include:
 - 1.4.2.3.1. Disclosure in Board minutes of the nature of the conflict.
 - 1.4.2.3.2. Leaving the room during all Board discussions and votes related to the conflict of interest
 - 1.4.2.3.3. Resignation from the Board.

1.4.3. Discipline and Removal of Board Members

In exercising its power under the bylaws to remove an officer or Board member, the Board will follow these procedures:

- 1.4.3.1. Removal for Misconduct. The Secretary will notify the member in writing and offer a hearing before the Board. Pending such a hearing, the Board may suspend the member's voting privileges.
- 1.4.3.2. Removal for Absence from Board Meetings. If an officer or Board member misses more than three meetings in a twelve-month period, then the Secretary will notify the member in writing that the member may appear at the next meeting to ask that the Board excuse the absences, or the Board will request the member's resignation.

1.5. Auxiliary Organizations (reserved)

1.6. Investment Management

Investments include all Eliot Chapel funds intended to be held in perpetuity to provide a long-term stream of income to Eliot Chapel. The Board places funds in the Endowment either by accepting gifts restricted by the donor to Endowment use or by voluntarily placing funds into the Endowment.

1.6.1 The Board is empowered to direct the investment of all capital funds, subject to the following policies:

1.6.2. Investment Objectives

Capital funds must be invested to produce a maximum rate of total return consistent with the following: prudent management of investments, preservation of principle, potential for long-term asset growth, and socially responsible investment practices.

1.6.3. Permissible Investments

Endowment fund assets may be invested in publicly traded common and preferred stocks, convertible bonds and preferred stocks, bank common funds, mutual funds, and fixed income securities (including corporate bonds and money market instruments). No other investments are permissible

1.6.4. Shareholder Initiatives

In keeping with our ethical values, Eliot Chapel is an activist shareholder, lending its support to shareholder initiatives and coalitions of shareholders in support of the following:

- 1.6.4.1. Disclosure of lobbying and political spending.
- 1.6.4.2. Action to address climate change.
- 1.6.4.3. Nondiscrimination based on skin color, age, sex, marital status, sexual orientation, gender identity and expression, disability, national origin or ancestry, economic status, union membership, or political affiliation.

1.6.5. Ethical Investment is governed by investment in the UUCEF.

1.6.6. Endowment Spending

Reference Eliot Unitarian Universalist Chapel's Bylaws Section 10.

1.6.7. Eliot Chapel has developed guidance regarding funds. The following guidance is attached.

- 1.6.7.1. Restricted and Unrestricted Funds (*Attachment 1*)
- 1.6.7.2. Permanently Restricted Funds (*Attachment 2*)
- 1.6.7.3. Temporarily Restricted Funds (*Attachment 3*)
- 1.6.7.4. Board Designated Funds (*Attachment 4*)

2.0. DELEGATION OF OPERATIONS

2.1. Delegation of Administrative Authority

Except as limited by the Chapel's bylaws and other policies, the Board of Trustees delegates to the Lead Minister the authority to manage resources and operations of the Chapel. All Staff members are accountable to the Lead Minister. The Lead Minister is accountable to the Board. The Lead Minister's authority includes, but is not limited to, the following:

2.1.1. Managing staff, ministry teams, and other human resources

2.1.2. Executing operations and programming

2.1.3. Developing administrative and programmatic policies

2.1.4. Allocating church resources as limited by policies and approved budgets

2.1.5. Serving as an ex-officio non-voting member of the Board and serving as an ex-officio member in all committees at the Lead Minister's discretion

3.0. GUIDANCE AND LIMITATIONS

3.1. Personnel Decisions

The Board expects the Lead Minister to take the lead in the selection, hiring, supervision, and discharge of all paid Staff.

3.1.1. Hiring Senior Staff

Before filling senior Staff positions, the Lead Minister will consult with the Board and appoint a Search Committee. After receiving the Search Committee's recommendation, the Lead Minister will consult with the Board and present their final candidate. The Lead Minister is expected to keep the Board updated on the Search Process.

3.1.2. Hiring Non-senior Staff

Before filling non-senior Staff positions, the direct supervisor of the vacant position should consult with lay leaders, other Staff, and must consult with the Lead Minister before extending a job offer. The Lead Minister has final decision-making authority.

3.1.3. New Positions

New positions are normally created through the budget process. The Lead Minister may create and fill temporary positions if they can be funded within established budgetary limits.

3.1.4. Employment At-Will

All paid Staff are employees at will, unless the Board approves the terms of a contract that states otherwise.

3.1.5. Discipline and Termination

Prior to discharging a paid Staff member, the Lead Minister must ensure that the decision complies with applicable laws, Board policies, contracts, and the Personnel Manual. The Lead Minister, after consultation with the Executive Committee of the Board, may terminate a senior employee's employment. A supervisor, in consultation with the Lead Minister, may terminate non-senior Staff (part-time and temporary/casual employees). The Lead Minister must promptly notify the Board when an employee has been terminated.

3.2. Care for Paid Staff

The Chapel intends to be a fair, ethical, and attractive employer; to achieve high Staff morale and productivity; and to protect members of the Staff from all forms of injustice and abuse related to their employment.

3.2.1. Supervision

Each employee will be assigned an immediate supervisor.

3.2.2. Compensation and Benefits

The Lead Minister in their role as head of staff, will review compensation and benefits for all paid Staff as part of the annual budget process. The Lead Minister shall monitor and assess all employee benefits programs, and shall use guidance and comparable numbers from the UUA and other sources as a basis for maintaining fair and equitable compensation and benefits programs.

3.2.3. Personnel Manual and Employee Handbook

The Lead Minister maintains the Personnel Manual, available online for review by members, in order to provide clear, professional, and transparent standards for all aspects of employment and human resources at the Chapel. When the Manual is amended, the Lead Minister shall request the Personnel Committee to review the amendment to ensure it is consistent with Eliot Chapel's policies and labor law.

- 3.2.3.1. The Lead Minister and Personnel Committee are responsible for reviewing the Personnel Manual on a periodic basis and developing updates that are guided by UUA recommendations, industry best practices, and the Chapel's mission and vision.

- 3.2.3.2. The Lead Minister maintains the Employee Handbook which is provided to all employees upon hiring.
- 3.2.3.3. The Employee Handbook should outline the Chapel's salary and benefits programs, as well as provide guidance and support to staff in addressing workplace concerns, including:
 - Discrimination
 - Harassment & sexual harassment
 - Workplace grievances
 - Whistleblower protection
 - Accommodation for disabilities

4.0. OVERSIGHT

4.1. Mission Focus

The Board's responsibility requires it to ensure that Eliot Chapel's human and material resources are used for the benefit of its mission.

4.1.1. The Board fulfills this duty in two ways:

- 4.1.1.1. By regularly reviewing reports provided by the Lead Minister and
- 4.1.1.2. By regularly evaluating Eliot Chapel's progress toward achieving those goals established in the Rolling Roadmap.

4.2. Monitoring

4.2.1. The Lead Minister will provide regular written reports to the Board.

- 4.2.1.1. Reports must include progress of priorities, as set by the Board, through the Rolling Roadmap.
- 4.2.1.2. These reports will be the subject of Board discussion if they require Board action or raise issues of compliance with Board policy.

4.2.2. The Treasurer will provide monthly financial statements that show overall financial performance compared to budget and highlight significant financial or operational issues. These may include:

- A complete balance sheet
- A funds statement
- A detailed statement of operations
- A statement of cash flows

These reports will then be made available to any member of Eliot Chapel who wishes to examine them.

4.3. Evaluation

Everyone responsible for work on behalf of Eliot Chapel will be engaged in a continual process of evaluating their work in light of the mission, evaluating current goals, and establishing new goals. Evaluations are intended to foster effectiveness in ministry work by ensuring that all Eliot Chapel leaders and staff:

- Practice open communication and regular feedback.
- Meet performance standards appropriate to their roles.
- Maintain effective working relationships with one another.

4.3.1 Board and Lead Minister Evaluation

Annually, the Lead Minister and Board together will review their respective contributions to the fulfillment of the prior year's Rolling Roadmap.

4.3.2. Staff Evaluations

The Lead Minister must ensure that all Eliot Chapel employees develop, with their supervisors, timely annual performance goals supportive of the Rolling Roadmap and that their performance is evaluated annually in writing.

4.3.3. Evaluation of Ministry Teams

The Lead Minister will ensure that team leaders develop goals supportive of the mission and evaluate their performance regularly.

4.3.4. Lead Minister's Triennial Performance Review

Every three years, the Board and Lead Minister together will appoint an ad hoc Minister Evaluation Committee of members held in high esteem by Eliot Chapel and mutually acceptable to the Board and Lead Minister.

- 4.3.4.1. Working with the Lead Minister, the Committee will facilitate a review of the Lead Minister's performance using the Lead Minister Evaluation approved by the Board in June 2024.
- 4.3.4.2. The goals of the evaluation are to call the congregation's attention to the mutual relational nature of ministry and the respective responsibilities of all who contribute to its success. The goal is to help the Lead Minister to remain motivated, creative, and flexible.
- 4.3.4.3. The Lead Minister and Evaluation Committee will collaborate in setting recommendations regarding the Minister's performance. The Evaluation Committee has final approval of the recommendations.
- 4.3.4.4. A version of the Committee's report to the Board, together with a written response from the Lead Minister, will be communicated to the congregation along with the Board's plan for addressing any recommendations it may contain.

4.3.5. Financial Audit or Review

At least every three years, the Board will authorize the Finance Committee to engage a

qualified professional to conduct an audit or review of Eliot Chapel's financial records and report in writing to the Board.

4.3.6. In other years, the Board will authorize the Finance Committee to perform an informal review of at least one aspect of Eliot Chapel's financial records.

APPENDIX A

History & Introduction

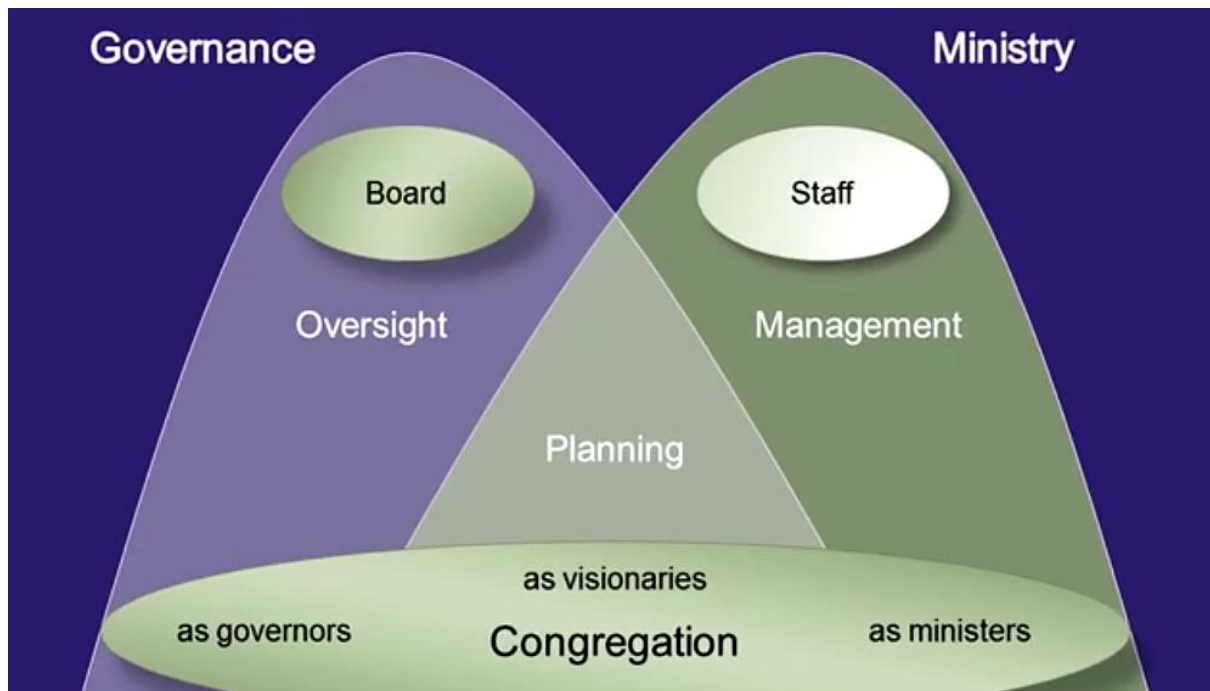
The question of how we govern ourselves at Eliot Chapel has been actively discussed for many years. Fifteen years ago, during a challenging time in the life of our congregation, we shifted to Policy Governance under the leadership of Interim Lead Ministers Rev. David Keyes and Rev. Maureen Killoran. The governance model we adopted is referred to as the Carver Model. This was an important shift because it gave clear responsibilities to the Board and the Lead Minister, which allowed each to be more effective. However, most UU congregations have aside set the Carver Model of policy governance because it is based on a not-for-profit model with a Board of Directors and an Executive Director with staff. Congregational Boards are different. Congregations belong to their members and are their spiritual home. Both the Board and the Lead Minister are elected by the congregation and are accountable to it. Rather than an Executive Director, our Lead Minister is our spiritual leader. Even the Lead Minister's executive tasks are grounded in our theology and spiritual practice.

During our Interim after Rev. Barbara Gadon's retirement in June 2022, Rev. Dr. Doug Wadkins encouraged the Board to shift away from the more rigid Carver Model towards a more collaborative model, often called the Hotchkiss Model after Dan Hotchkiss, who worked to adapt the Carver Model to congregational life. The division of authority and responsibilities remain the same, but there is a strong emphasis on collaboration and partnership which is more in harmony with our theology of covenantal mutual relationships built on love and trust. During this time, the Board made a commitment to move towards Mission-Based Governance informed by the Hotchkiss Model.

Throughout the 23-24 church year, while Rev. Krista was our contracted Acting Lead Minister, the board began exploring what changes needed to be made to fully transition to the Mission-Based Model. As we have practiced working collaboratively, while honoring the division of authority and its boundaries, we have learned much as we lean deeper into this evolving model of governance. This year (24-25), with Rev. Krista beginning year one of her settled ministry, the board has set the goal of fully establishing and adopting the new model.

The policies that the board has been operating under were written during and for the Carver Model reign. As we have been experimenting with living into the new model, it has become evident to us that operating from policies focused on the Carver Model has proven to be overly complicated and unsuitable for our goal of wholly implementing the Mission-Based Model. One of our final steps in realizing our goal is to undertake writing new Board Governance Policies that are more compatible with the new model.

Starting in 2022 and continuing to unfold, the Board set about its transition to shared ministry as is explained and illustrated in the book by Dan Hotchkiss, *Governance and Ministry*, 2nd Edition.



Hotchkiss's model integrates the roles of the congregation, the Board, and the Staff (led by the Lead Minister). The responsibility for successful functioning of Eliot Unitarian Universalist Chapel is shared between the congregation, Lead Minister and Staff and the Board. This model also makes a clear distinction between governance being the primary responsibility of the Board, and ministry being the primary responsibility of the Lead Minister/Staff. Hotchkiss tells us that governance is the process of holding and controlling human and material resources and making sure they are used to serve its mission. Ministry is the rest of what the congregation does to carry out the mission and vision—the daily activity of building a community, managing resources, and transforming lives.

As a governing body, the Board has the primary responsibility of oversight which involves articulating a mission, choosing major goals, delegating responsibility to those who do the daily work, and keeping the congregation's money, property, and people safe while assuring that the congregation lives in harmony with its own values. The Lead Minister and Staff are authorized by the Board, through policies, to lead the work of the ministry. The Lead Minister and Staff have the primary responsibility for management, unencumbered by the need to receive permission or approval from the Board on a day-to-day basis.

Good policies free the Staff to do their work. The Lead Minister and Staff shall coordinate the work of ministry teams who perform specific tasks and functions.

Planning is the process of envisioning the future of the congregation and is a shared activity of the Board, Staff, and congregation. Effective planning requires wide support from the Board, the Lead Minister, and Staff, and the membership. Many organizations get so immersed in their governance and management responsibilities that planning for the future gets less attention than it needs. Ideally, applying a Mission-Based Governance Model will allow Eliot to effectively plan, oversee, and manage its mission.

The 2024-25 Board of Trustees and Rev. Krista Taves, in consultation with Dan Hotchkiss, drafted the policy document you see here. In June 2025, they officially adopted these Governing Policies.

APPENDIX B

Description of Mission-Based Governance Model

Introduction:

- The Policy Governance model, also known as the Carver Model, is a good structure for business and keeps very clear lines of decision making and authority. The model tends to be most effective in larger churches and may not always be as nuanced as the needs of a small or mid-sized faith community
- Our exploration of Governance and Ministry, we learned from Hotchkiss that it is less about a “model” and more about **practices** that transform governance. It is the ART of governance more than the SCIENCE.
- The board’s primary responsibility is to steward our vision and mission.
- Governance approaches are only as good as their execution
- We always need clear roles and responsibilities for clergy, staff, board, lay leadership and congregational members.
- AND we seek to include more flexibility and collaboration with the lead minister, but with specificity on which domains that work will occur.

Seven elements of Mission-Based Governance:

1. Vision & Mission:

- What it is: Developing, and routinely refreshing, the vision and mission with the congregation. This is led by the board with support from UUA and the lead minister.
- How we might do it:
 - Collaborate with the lead minister to engage congregants in a dialogue every 3-5 years to revisit the vision, mission, and values.
 - Include a dialogue of an “open question” related to the vision and mission at each board meeting. This is not to form a decision, but rather to explore our understanding of our mission through a dialogue of what is most important to the congregation.

For example: 1) How might our church building best serve the mission of Eliot Chapel? 2) What might need to change at Eliot for us to attract many more

families and younger members? 3)How might we connect our long-time members more closely to new members?

2. Fiduciary Responsibility:

- What it is: This is more than responsible management of the finances. The board frames all budget and financial decisions within the mission of the congregation.
- How we might do it:
 - Continually ask, what is the congregation committed to creating and how do the assets and resources help us to fulfill those commitments and mission?
 - The Board and lead minister collaborate on budget development by identifying a clear intent (such as a budget balanced by pledges and fees or one that includes drawing on other assets), identifying assumptions (how conservatively we forecast expenses, what metrics will be used), and then the implications for the final budget that is proposed.
 - The Board and lead minister collaborate to ensure that the staff and lay leadership are not burning out
 - The board monitors that the buildings and assets are serving the congregation and its mission. For example: assessment of 222 Argonne
 - Eliot's presence and reputation are also assets to be monitored. Asking allies outside of Eliot and newer members how we are "showing up" and how UU is understood within the community.
 - The board collaborates with the nominating committee and the lead minister to nurture new lay leadership and recognize and support existing lay leadership.

Examples: Co-host events that develop and recognize leadership. Canvass and Board meet each January to agree on how the Canvass and the budget development will work hand in hand. Debriefing sessions with volunteer leaders to understand what is working and how we can improve. Volunteer recognition events. Develop a Volunteer Coordinating Council.

3. Policy Development and Monitoring:

- What it is: Setting and routinely reviewing the policies of the congregation to ensure they are being followed. Creating new policies only when it is clear there is an ongoing need for it.

- How we might do it:
 - Debrief with prior leaders to capture institutional wisdom and the good work and decisions of prior leadership.
 - Develop a schedule to review actual policies and evaluate how well we are following them.
 - In reviewing policies, ask: how well does a policy support the fulfillment of the congregation vision and mission?
 - Move policy records and communication to an accessible and secure place. This includes church legal documents (charter, bylaws), policy documents and monitoring reports, archives of board minutes and activities, and operational policies for staff, the building, programs, etc.
 - Collaborate with the minister and staff any articulated practices, identifying where the board can represent the congregation is sharing feedback and input.

4. Congregational Assessment

- What it is: The board studies and listens to the congregation to understand where more or less resources are needed to fulfill the mission and how the board, lay leadership, staff, and congregants are doing towards fulfilling that mission.
- How we might do it:
 - Maintain routine dialogues to explore where resources or assets can be transformed to better serve the mission
 - Survey the congregation and then debrief the results with the congregation to improve our interpretation and subsequent actions.
 - Annual exploration with the congregation: Administrative question (e.g., long-term viability of an asset), and a Programmatic question (e.g., faith development)

5. Planning for the Future

- What it is: Long term planning to apply assets and resources toward our vision and mission.
- How we might do it:
 - Develop a strategic Plan: 3-year rolling plan (Rolling Roadmap). Fully developed year 1, partial plan for year 2, and high-level goals for year 3—refreshed annually.

1. Programs, ministries, operations
2. Engage support from UUA, lead minister and lay leaders
3. Within include tactical plans that address gaps: e.g., a 20-year building maintenance plan, marketing, and membership, or develop a planned giving program.

6. Relationship Building

- What it is: An intentional process and structures to forge relationships between the board and clergy, the board and the congregation, the staff and the board.
- How we might do it:
 - Determine through dialogue and surveys the vitality and boundaries of our internal relationships. Set specific goals within a strategic plan to nurture relationships as part of pursuing strategic goals.
 - Nurture external relationships (invite external leaders to board meetings to share our goals and approaches to them; increase marketing and outreach to the broader community by bringing in events or speakers, increased messaging in print, media, social media, and outside signage; SHOW UP to support external partnerships).

7. Transformation: This becomes possible on how well we develop the first 6 practices.

- How can the vision and mission change?
- How can we be bolder?
- How can we take more faithful risks?
- How can we apply all we have to deepen our vision and mission?

ATTACHMENT 1

RESTRICTED FUNDS AND UNRESTRICTED FUNDS

The Chapel's financial assets are classified as follows:

- Funds—As used in this appendix, funds are financial assets of the Chapel.
- Permanently Restricted Funds—Permanently restricted funds are subject to donor-imposed restrictions that are to be maintained permanently by the Chapel. The donors of these assets have permitted the Chapel to use all or part of the income earned on any related investments for general or specific purposes.
- Temporarily Restricted Funds—Temporarily restricted funds are donations to the Chapel whereby the donor restricts use of the donation to specific purposes. The Chapel holds these funds temporarily until they are put to their intended use.
- Unrestricted Funds—Unrestricted funds are all funds that are not permanently restricted funds or temporarily restricted funds.
- Designated Funds—Designated funds are unrestricted funds internally designated by the Board as to their use and are not available to be used in the operations of the Chapel, except as specified by the Board.
- Undesignated Funds—Undesignated funds are unrestricted funds available for the general operations of the Chapel, subject to budgetary restrictions.

ATTACHMENT 2

PERMANENTLY RESTRICTED FUNDS

For any permanently restricted fund, **corpus** is defined as:

- 1) The original donation amount, plus
- 2) Any growth from investments (market growth or dividends) specified by the Board of Trustees to be added to the corpus (to be determined on at least an annual basis).

If the original donation amount is unknown, the Board of Trustees will determine the amount to reasonably be considered corpus. All amounts not considered corpus are to be spent in accordance with the fund's intended purpose over one or multiple years.

In addition, the Eliot Chapel Board of Trustees may approve spending a portion of the corpus from time to time, as long as:

- 1) The expenditure is in accordance with the fund's intended purpose; and
- 2) There is a documented plan approved by the Board of Trustees and Lead Minister to reestablish corpus to its original level.

Endowment Fund (Corpus 255 / Income not set up)

This fund was established within the Bylaws in 2000 to create a permanent endowment. It has a corpus and an income fund to be used as specified in the bylaws, Article X. The Chapel's planned giving programs should encourage donations to the fund.

Established: 2000

Income Use: Earnings on this fund are held separately from its corpus and used as described above.

Investment: Generally, the corpus of this fund is invested as part of the Chapel's investment portfolio.

Blanke Fund (Intern Ministry) (Corpus 251 / Income 2414)

This fund was created in 1986 by a donation from Marguerite Blanke in memory of her parents to provide financial support for the training of intern ministers at Eliot. The principal held in the corpus fund cannot be spent, but income generated from the corpus is tracked in the Blanke income fund where it is used to offset expenses of having an intern minister (primarily salary).

Established: 1986

Original Corpus: Not known.

Income Use: Income is accumulated separately from the corpus and used to offset expenses of intern ministry.

Investment: Generally, the corpus of this fund is invested as part of the Chapels investment portfolio.

Dunlap-Nutt Fund (Member & Friend Assistance) (Corpus 252 / Income 2415) Fully named "The Wallace P Dunlap & Barbara C Dunlap Nutt Memorial Fund". This fund was established in 1980-81 with a \$10,000 gift from Barbara Nutt as a memorial to her late husband, Wallace Dunlap. This fund is an endowment, the principal of which is to be kept intact, and the income tracked separately. The Funds income is temporarily restricted and is used by the Ministers for

assistance to members and friends in need. Its purpose is more restricted than the Ministers' Discretionary Fund (see below). A report of use (general, not specific as to individual recipients) is to be made annually by the Ministers on this fund.

| | |
|--------------------------------|--|
| <i>Established:</i> | 1980 |
| <i>Original Corpus:</i> | \$10,000 |
| <i>Income Use:</i> | Income is accumulated separately from the corpus and spent by the ministers for assistance to members and friends in need. |
| <i>Investment:</i> | Generally, the corpus of this fund is invested as part of the Chapel's investment portfolio. |

Operational Note: Current practice is to distribute income in this fund annually to the Ministers' Discretionary Fund. The Treasurer's annual confidential review needs to include a general review of the use of this income as described above.

ST MARTINS/JHR-DW (Partner Church) (Corpus 253 / Income 2416)

Fully named "The John Robinson and Diane Weber Endowment for Nyaradszentmartom Csikfalva". The Principles for this fund are described in a memo dated July 23, 2000, from John Robinson and Diane Weber.

| | |
|--------------------------------|--|
| <i>Established:</i> | 2000 |
| <i>Original Corpus:</i> | Not Known. |
| <i>Income Use:</i> | Capital gains are to be applied to the corpus. Income is accumulated separately from the corpus and is to be distributed in June of each year. |
| <i>Investment:</i> | Generally, the corpus of this fund is invested as part of the Chapel's investment portfolio. |

Nutt Music Fund (Corpus 254 / Income 2417)

The endowment was Established by a Ten-Thousand-Dollar (\$10,000) donation to be used for the establishment of a Music Endowment Fund, such Fund to be administered by the Music Committee (or its successor) and the Music Director; provided that only income may be used, with no invasions of such Fund's principal; provided further that no part of such Fund shall be used to pay, any portion of the salary of the Music Director or to replace funds designated for the church music program in the church's annual budget, it being Grantor's intention that such Fund be used to supplement and not to replace the amounts so designated in the church's annual budget.

| | |
|--------------------------------|---|
| <i>Established:</i> | 2010 |
| <i>Original Corpus:</i> | \$10,000 |
| <i>Income Use:</i> | Income is accumulated separately from the corpus and is to be used to support the music program as described above. |
| <i>Investment:</i> | Generally, the corpus of this fund is invested as part of the Chapel's investment portfolio. |

ATTACHMENT 3

TEMPORARILY RESTRICTED FUNDS

From time to time the Chapel receives gifts that were given for a special purpose or intended use. These gifts are held temporarily by the Chapel until they are used for the intended purpose.

Investment Income From Permanently Restricted Funds – Investment income is held in various segregated accounts and is to be used in accordance with endowment instructions.

Special Collections – The Chapel raises monies from time to time for special purposes. Examples of these funds include but are not limited to:

- Partner Church – scholarships, bread support, other support
- Women's Weekend – working funds and accumulated earnings
- Men's Advance – working funds
- Donut Sales – to support youth projects

Women's Alliance (Corpus 2404 / Income 2403)

The Women's Alliance turned over their funds to the Chapel for accounting purposes in 1996/97. They received a gift from Harriet Pinkerton's estate and chose to make it an endowment. The Women's Alliance has kept the corpus intact with the income being used to fund the Alliance's activities. The Alliance may use their endowment or their operating funds as they choose.

| | |
|--------------------------------|---|
| <i>Established:</i> | 1996 |
| <i>Original Corpus:</i> | Not Known. |
| <i>Income Use:</i> | No documentation to show this but historically used together with the principal to fund activities of the Alliance. |
| <i>Investment:</i> | Generally, the corpus of this fund is invested as part of the Chapel's investment portfolio. |

Holding Fund (Special Gifts Holding) (2418)

This fund was established by the Board at their May 20, 1997, meeting to receive and accumulate unrestricted gifts. It should be utilized for specially designated gifts or unrestricted gifts which are expected to be expended in 12 months or less from the date of receipt.

| | |
|----------------------------|---|
| <i>Established:</i> | 1997 |
| <i>Income Use:</i> | Not applicable. |
| <i>Investment:</i> | This fund is not invested as moneys are in it for a short-term period pending disbursement or transfer to another fund for their purpose. Their balances are a part of the Chapel's overall cash and/or money market fund balances. |

ATTACHMENT 4

BOARD DESIGNATED FUNDS

From time to time the Board sets aside funds for a specific purpose or use. These Designated Funds are not available to be used in the operations of the Chapel, except as specified.

Special Operations Support Fund (Corpus Only 264)

This fund was established by the Board to generate income that would support the Operating Budget of the Chapel. From time-to-time monies may be added to the corpus or transferred from the corpus to the operating fund by action of the Board only.

| | |
|--------------------------------|--|
| <i>Established:</i> | Not known |
| <i>Original Corpus:</i> | Not known but the Bergfried Fund donated \$24,000 in 2007 Income Use: Earnings on this fund are shown as revenue on the income statement. Investment: Generally, this fund is invested as part of the Chapel's investment portfolio. |

Bergfried Fund (Corpus 262 / Income—aka "Operating"—261)

This fund was established in 1998 to create a designated means to maintain the Bergfried Property. The "Bergfried Property" is defined as the real property encompassed by that donated by the Lingenfelders in 1964 and 1965 together with subsequent purchases of neighboring property and improvements as well as sales of donated or purchased property and improvements (5 parcels in the Gasconade County Records as of April 2014).

Corpus is defined as the portion of the monies invested in the Bergfried Fund designated by the Board as Corpus. The portion of invested monies in the fund not designated as Corpus are retained income and may be utilized as *income*. Donations are covered by board policies on Gifts.

Income includes all proceeds generated from sale of natural resources of the Property, activities held on the Property, activities identified by lead minister to generate income for the Fund, and gains from investment of corpus. The Board may allocate any portion of income to corpus at any time up to the point it is committed by the Minister to a binding purchase.

Corpus Use: Corpus is generally invested with other Eliot Chapel funds. The Board of Trustees may approve the use of corpus funds for specific Chapel needs. Plans to replenish the Corpus may include the expectation that future Bergfried income will become available.

Income Use: Income on this fund may be used for Minister-approved expenses associated with the Bergfried Property. Income beyond that needed to maintain the Bergfried property may be used for any Minister-approved purpose of the Chapel.

Investment: Generally, the corpus of this fund is invested as part of the Chapel's

investment portfolio.

Capital Projects Fund (263)

This fund was established by the Board in June 2014 to support capital projects and major maintenance projects as recommended by the Lead Minister as part of the Operating Budget.

Corpus is any monies in the fund which are not allocated.

Income includes any gains from investment of the fund monies.

Use of funds: The total of this fund is available for capital improvements or major maintenance projects in an approved budget.

Investment: Generally, this fund is invested as part of the Chapel's investment portfolio.

Ministers' Discretionary Fund

Established in 2002 by a Trust Agreement between the Ministers and the Board of Trustees. The Lead Minister is the Trustee of this fund. The fund is not a part of Eliot's financial records. The Treasurer performs a confidential annual review of this funds activity in January/February of each year.