

To: First Unitarian Church of Des Moines Board of Trustees

From: Deborah L. Dessert, DFA for Rev. Mark Stringer

Date: June 9, 2016

RE: Board monitoring per Governing Policies

The monitoring process established by the Board requires *semi-annual reporting* on (1) staff/volunteer treatment and (2) financial planning (budget).

Section II of the Governing Policies, Executive Limitations, contains Policy A relating to Staff/Volunteer Treatment.

Policy A: Staff/Volunteer Treatment reads:

With respect to treatment of staff and volunteers, the executive ~~team~~ may not cause or allow conditions that are inhumane, unfair, or unprofessional. Accordingly, the executive ~~team~~ may not:

1. Discriminate (as defined by city, state, and federal laws) among existing or potential staff/volunteers on other than clearly job-related criteria, individual performance, or individual qualifications.

The staff has received no feedback suggesting that we have been discriminatory (as defined by city, state, and federal laws). Our Personnel Manual explicitly states that we are an equal employment opportunity organization and outlines steps employees should take if they feel this commitment has been violated. Director-level staff who hire and supervise employees are aware of this policy and are held accountable to it in their hiring and supervision.

2. Subject staff or volunteers to unsafe or unhealthy conditions.

We have received no complaints regarding unsafe or unhealthy conditions that have not been acted upon or for which plans are not in process to improve said conditions. We do have concerns about our parking accommodations at the church. Improvements have been made to provide more safety at the crossing of Bell Avenue and Casady. The East parking lot has been improved with more permanent markings for parking spaces and signage, however the parking lot surface is cracked and, at places, uneven which can be a trip hazard, especially for the elderly. Additionally, we believe the entrance to the church from the lower parking lot is dangerous and plans to improve these conditions may be addressed in an upcoming Capital Campaign as we consider the suitability of our facility and grounds towards meeting our Ends.

3. Withhold from staff a due-process internal grievance procedure.

The Personnel Manual outlines the grievance procedure. We have received no grievances during the period this report covers.

4. Prevent staff from grieving to the board when:

- a. internal grievance procedures have been exhausted and
- b. the employee alleges either that

- i. board policy has been violated to his or her detriment, or
- ii. board policy does not adequately protect his or her human rights.

The Personnel Manual outlines the grievance procedure. We have received no grievances during the period this report covers.

Section II of the Governing Policies, Executive Limitations, contains Policy C which relates to Financial Planning.

Policy C: Financial Planning reads:

With respect to planning fiscal events, the executive team may not jeopardize either programmatic or fiscal integrity of the organization. Accordingly, the executive team may not cause or allow fiscal projections that:

1. Contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions.

2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

As the Board is aware from the 2016-17 budget, expenditure reductions were made and a portion of the on-hand bequest funds were budgeted to fill the gap between anticipated income and expenses.

3. Do not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over \$5,000.00 each.

We do not anticipate any expenditures related to this policy, except for the mortgage repayment included in the operating budget.

4. Deviate materially from board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.

Each year the Executive articulates to the Board and congregation the goals for the budget drive and budget and how those relate to the Ends Statements. The Board receives all budget detail and has multiple discussions with the Management Team related to the content of the budget as it relates to priorities and Ends. The DFA has developed a formula for tracking history on pledge payments which is highly accurate and allows the Executive to be confident of anticipated revenues. There have been no violations of this policy during the reporting period.

The monitoring process established by the Board requires *annual reporting* on (1) protection of assets and (2) internal report of membership.

Section II of the Governing Policies, Executive Limitations, contains Policy E relating to Asset Protection.

Policy E: Asset Protection

With respect to proper stewardship of the corporation's assets, the executive ~~team~~ may not risk losses beyond those necessary in the normal course of business. Accordingly, the executive ~~team~~ may not:

1. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.
2. Fail to insure against corporate liability and personal liability of board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Iowa non-profit organizations.
3. Allow unbonded personnel access to material amounts of funds.
4. Subject plant and equipment to improper wear and tear or insufficient maintenance.
5. Unnecessarily expose the organization, its board, or staff to claims of liability or risk the nonprofit status.
6. Make any purchases not provided for in either the capital expenditure or operational projections. Make any purchase of between \$2,500.00 and \$4,999.99 without at least two informal quotes, or make any purchase over \$5,000.00 without at least two competitive bids or a sole source justification.
7. Receive, process, or disburse funds under controls insufficient to meet the board appointed auditor's standards or other standards.
8. Invest operating capital in accounts not insured by the FDIC or FSLIC.
9. Fail to protect intellectual property, information, and files from significant damage, excluding the work of called ministers of the church, who are the sole owners of their intellectual property.

Some of these items are overseen by the Board's Financial Oversight Committee. The Management Team has addressed other items in Operating Policies or established operating procedures. No violations of this policy have occurred during the reporting period.

Membership certified to the UUA in January 2016 was 506.