

Bylaws Update F.A.Q.

Q. Why replace the bylaws and such with this new language?

A. As we work to fulfill the actions called for in the Bridge Builder's Action Plan involving living out a well-defined mission, making clear the role of our minister and improving our governance, we are clarifying our policies and bylaws to free our staff and volunteers to reach their full potential, work in an atmosphere of trust but also of accountability and to use their maximum creativity to achieve our mission and ends, as well as live our values.

Q. Why did you put fiscal policies in different places?

A. We wanted to make fiscal authority and accountability much clearer and understandable to everyone. Fiscal matters which the congregation must vote upon and that it does not delegate to its elected board have been placed into the bylaws, which is where congregational "policy" is normally laid out. Fiscal policy that the board does not delegate to the executive (senior minister in our case) or limits upon that delegation are laid out in executive limitations policies, which the executive must then interpret and for which they must create day to day policies and procedures that comply.

Q. Why did you change some of the other procedures in the bylaws?

A. We benchmarked our bylaws and policies with other similar size or larger UU congregations that have been very successful (see attached document) and also spoke with several other congregations. We also studied several materials on best practices and identified some areas of the bylaws that did not meet best practices and/or just needed language to be clarified to make such areas easier to understand or less open to differing interpretations.

Q. Why can financial items that were in the FAMP and are now in the bylaws be changed by one vote of the congregation rather than two?

A. When we did our benchmarking and our study of best practices, we found that it is highly irregular to have a separate policy other than bylaws set by the congregation and even more abnormal to have a policy that supersedes bylaws (i.e. requires a higher hurdle in terms of the congregation voting to change it than the bylaws). We also worked with Joe Sullivan from Unity consulting who advised that such a policy is problematic. We believe that placing congregational mandates into the bylaws is the clearest way to do things and that the congregation can trust itself to make wise changes if a 2/3 vote is required to do so. This also allows the congregation to be able to react in a timely manner to emergency situations and/or time-limited opportunities that might arise.

Q. Why are many of our committees now called "ministries" in the bylaws?

A. Our terrific committees are all engaged in one way or another in carrying out our mission and ends – that is ministry, and our wonderful volunteers are a huge part of that ministry! They are doing much more than just attending committee meetings!

Q. What if I have other questions or issues with the proposed bylaws?

A. We are putting out these draft documents well ahead of the congregational meeting to give everyone plenty of time to read them, think about them and bring up concerns and

questions so that (hopefully!) by the time we get to the congregational meeting on May 15, any major concerns or questions will have been addressed. There will also be a brown bag discussion on April 3 at 12:30 on the proposed bylaws and a pre-congregational meeting on April 10 at 1:30. In the meantime, you can also contact a member of the governance task force of the board, Chris Jimmerson, Klondike Steadman, Brendan Sterne or Susan Thompson, as well as any member of the board or Rev. Brock. In between the pre-congregational and congregational meeting, we will also make opportunities for discussion available if needed.

How do these changes relate to calling our new settled minister?

They are intended to clarify the role of the minister and make our governance systems unambiguous, efficient and more in line with best practices found in thriving congregations, freeing our new minister to concentrate on working with us to nourish souls, transform lives and do justice.

Bylaws and Fiscal Policy Benchmarking of Similar or Larger UU Congregations

| <i>Church</i> | <i>Members</i> | <i>Pledging units</i> | <i>Annual expenditures</i> | <i>Most fiscal policy in?</i> | <i>Main fiscal provisions in bylaws</i> | <i>Requirements for Executive Session</i> | <i>Highest Congregational Voting Requirement</i> |
|----------------------------|----------------|-----------------------|----------------------------|-------------------------------|--|---|--|
| All Souls, DC | 878 | 673 | \$1,685,000 | Board Policy | Board approves expenditures from endowment, fiscal reporting | None set, executive sessions allowed | 2/3 to change bylaws |
| Dallas, First Church | 1097 | 642 | \$1,882,378 | Board Policy | Congregation creates rules and purposes and use of endowment, endowment committee | Majority vote of board to go into executive session | 2/3 to change bylaws, ¾ to terminate endowment fund |
| First Unitarian Des Moines | 409 | 280 | \$545,000 | Board Policy | Endowment committee to raise funds for endowment, board to establish check signing and deposit procedures, congregation approves real estate transactions | None mentioned in bylaws | Simple majority to change bylaws |
| First UU San Diego | 681 | 482 | \$1,283,269 | Board Policy | Congregation approves real estate trans., more than 7% spending over annual budget, spending principal from endowment. Bylaws set rules for large unrestricted gifts | By board vote to go into executive session | 2/3 on changing constitution (bylaws), spending from endowment principal, using large amounts of unrestricted gifts for operations, any regular or special meeting |
| Ist UU Houston | 330 | 275 | \$664,804 | Board Policy | 2/3 vote of board to spend from reserve fund, endowment fund purposes and rules, investment committee for endowment | None mentioned | 2/3 vote to amend constitution and 2/3 to expend from endowment at any regular or special meeting |
| Unity St. Paul | 859 | 671 | \$1,352,679 | Board Policy | Congregation approves the budget, unless there is no quorum at annual meeting then board approves budget, provisions for real estate and contracts. | | ¾ to change bylaws or for certain real estate decisions at any regular or special meeting |
| <i>Church</i> | <i>Members</i> | <i>Pledging units</i> | <i>Annual expenditures</i> | <i>Most fiscal policy in?</i> | <i>Main fiscal provisions in bylaws</i> | <i>Requirements for Executive</i> | <i>Highest Congregational Voting</i> |

Bylaws and Fiscal Policy Benchmarking of Similar or Larger UU Congregations

| | | | | | | <i>Session</i> | <i>Requirement</i> |
|----------------------------|-----|-----|-------------|-------------------------|--|--|--|
| UU Church of Charlotte | 658 | 368 | \$766,422 | Board Policy | Congregation specifies undesignated bequests go to Endowment Trust, trust benefits church but is a separate entity | Any action agreed to in executive session must be voted upon in open session | 2/3 to change bylaws |
| UU Atlanta | 702 | 559 | \$1,257,571 | Board Policy | Congregation establishes restricted reserve and capital fund. Reserve expenditures approved by congregation, capital over \$10,000 approved by board. | None mentioned | 2/3 to amend bylaws, majority to expend reserves at any regular or special meeting |
| First Unitarian Pittsburgh | 433 | 297 | \$618,400 | Board Policy | Board has certain real estate and other authority, establishes endowment and rules for it. | None mentioned | 2/3 to amend bylaws or expend principal form endowment at any regular or special meeting |
| UU Berkley | 457 | 322 | \$965,969 | Board Policy and Bylaws | Congregation establishes rules for endowment restricted funds, allows board 30% of all restricted funds to borrow for operations, allows use of endowment for certain emergency purposes | None mentioned | 2/3 to amend bylaws or expend from endowment at any regular or special meeting. |

*No church we looked at had a FAMP-like policy nor any policy which required two congregational votes to amend.

**In all churches we looked at the congregation approved the annual budget.

***Board Policy was either through executive limitations (most churches) or in limitations and in board process policy in a few churches.