

Where are Financial Assets Management Policies and Procedures?

Bylaws

- Specifies that the congregation has the authority to approve the annual budget.
- Requires that the board establish limitations on the executive requiring them not to deviate from the approved budget or exceed funds reasonable expected to be available. (No longer has language requiring a vote to exceed the annual budget or limiting capital expenditures; however, the executive limitations would effectively prevent these.)
- Requires the Treasurer to provide board fiscal education and ensure an annual audit.
- Maintains the same requirements for the annual meeting to approve the budget.
- Explicitly makes the senior minister ultimately accountable for day to day operational and fiscal matters.
- Makes the Savings Fund, and Endowment part of the bylaws and subject to the same vote requirements as the bylaws.

Executive Limitations

- Requires fiscal planning that does not deviate from ends, risk fiscal jeopardy or fail to consider multi-year planning. Requires ongoing fiscal projections and reporting and planning within available funds (Policy C).
- Prevents deviating from budget priorities, borrowing, improper funds restricting and improper use of such funds, failing to settle payroll and other obligations in a timely manner, fail to pay taxes and such on time, etc (Policy D).
- Requires a plan for continuous operations in the event the minister is not available (Policy E).
- Requires that the executive not fail to insure assets, invest properly and according to an investment plan, allow improper access to funds, maintain fiscal control procedures, protect property, equipment, files, public image, etc. (Policy F).
- Requires the executive not fail to maintain proper compensation and benefits and establish procedures for such (Policy G).

Executive Interpretations and Procedures (Still Being Developed)

- Specifies proper procedures for accounting for receipts and expenditures in a timely manner and according to best practices.
- Details methods and procedures for proper allocation of income to the various funds, complying with donor restrictions and best practices for designating funds, complying with the bylaws as regards distributions from the various church funds.
- Details the procedures to be used for performing the calculations for transfers to and from the savings fund and from the endowment.
- Describes the investment plan (above being developed based upon language in the FAMP and Exec. Limitations)
- Outlines the executive's interpretation of board fiscal executive limitations policies (subject to board judging the interpretations as reasonable). (Being developed.)
- Establishes fiscal controls (see attached examples)

First Unitarian Universalist Church of Austin

Bylaws

FIRST UNITARIAN UNIVERSALIST CHURCH OF AUSTIN

BYLAWS

ARTICLE I: NAME

The name of this organization shall be First Unitarian Universalist Church of Austin.

ARTICLE II: AFFILIATIONS

The church shall be a member of the Unitarian Universalist Association and of the Southwestern Unitarian Universalist Conference or their successors.

ARTICLE III: PURPOSE

The purpose of the church is to promote Unitarian Universalist principles through the shared values and mission of church members.

ARTICLE IV: MEMBERSHIP

Section 1: Method of Joining

Full voting membership in this church is open to any person 14 years or older who accepts the general purpose and programs of this church. There shall be no creedal requirements for membership. Signature in the membership book and a contribution of record are the basic requirements. The date of membership is the date of signature in the membership book; membership becomes official when acknowledged by the Board of Trustees.

Section 2: Requirement for Voting

Individuals who have been members of the church for 30 days or more and who have (as an individual or part of a family unit) made a recorded financial contribution during the last 12 months and at least 30 days prior to the meeting, have the right to vote at all official church meetings.

Section 3: Friends of the Congregation

Any individual who has signed the membership book and who has not made a recorded financial contribution in 12 months, unless the Board of Trustees decides otherwise, will be designated a friend of the congregation, as will those who participate in the life of the congregation but choose not to sign the membership book.

Section 4: Termination of Membership

Any member who chooses to resign from the congregation may do so by notifying the Board of Trustees in writing. Members who have moved away permanently or ceased to participate in Church affairs may, by action of the Board of Trustees, be deleted from the membership list after an effort to determine their wishes has been made.

Section 5: Restoration of Membership

Restoration of membership will occur when a former member signs the membership book, makes a contribution of record, and is approved by the Board of Trustees.

ARTICLE V: AUTHORITY

Section 1: Congregational Authority

The members of the Congregation, acting together in accordance with the procedures laid out in these bylaws, are the ultimate authority of the church, with the power to:

- A. Call or dismiss a Senior Minister;
- B. Approve the annual operating budget;
- C. Buy or sell any interest in real estate;
- D. Mortgage, encumber, or commit any asset owned by the Congregation; and
- E. Assert the congregational authority laid out in any other section of these bylaws.

Section 2: Board of Trustees

Subject to the limitations contained in these bylaws, the business and affairs of the church are managed under the direction of the Board of Trustees, in accordance with the Board's Policies.

Section 3: Executive

The Senior Minister shall function as the executive for the church unless otherwise designated by the Board of Trustees through a majority vote of the Trustees present at any regular or called meeting at which a quorum is present.

Section 4: Board Delegation

The Board maintains control of policies and discerns congregational mission and ends and delegates to the Executive reasonable latitude to determine the means by which they are carried out. The Board's direction, oversight, and supervision of the Executive are accomplished by:

- A. Adopting written policies providing for limitations on the Executive, and
- B. Holding the Executive accountable for acting within these executive limitations.
- C. Monitoring progress toward ends.

Section 5: Ministry Teams

To carry on the work of the Congregation, the Executive, acting within the scope of the executive limitations adopted by the Board, establishes Ministry Teams, consisting of members and friends of the Congregation and/or members of the staff.

ARTICLE VI: BOARD OF TRUSTEES

Section 1: General Duties of the Board of Trustees

The Board of Trustees shall act as the governing body of the church in accordance with the instructions provided by the Congregation and the authority delegated by the Congregation in the form of these bylaws. The business and affairs of church are managed under the oversight of the Board of Trustees, in accordance with the Board's Policies, which shall be in writing and publicly available. The Board's Policies shall include provisions for discerning values, mission

and ends statements in linkage with the congregation and that establish limits upon the Executive's authority.

Section 2: Composition of the Board of Trustees

The Church Board of Trustees, all of whom shall be voting members of this church, shall consist of the following:

- A. Six Trustees who shall serve staggered terms of three years each. Two Trustees shall be elected at the spring semi-annual congregational meeting.
- B. A President-Elect shall be elected at the spring semi-annual congregational meeting to a two-year term, one served as President elect and the following year as President. At this same meeting, a Treasurer and Secretary shall be elected for one-year terms. The President-Elect from the prior year shall become the President and serve a one-year term. In the event the President-Elect from the prior year is unable to fulfill this duty, then a President will also be elected at the Spring semi-annual congregational meeting. Each of these officers shall become Board of Trustees members by virtue of holding their offices.
- C. The immediate past President and the Executive shall serve as ex officio members of the Board of Trustees, and may not vote or make motions.

Section 3: Vacancies and Term Limits

Board of Trustees vacancies occurring between annual meetings shall be filled by a majority vote of the Board of Trustees after consultation with the Nominating Committee. No person may serve more than six consecutive years without an absence of one year. This six-year term limit applies only to the time spent serving on elected, full terms as officer or other Board member. Time spent finishing out another individual's uncompleted term does not count toward the six-year limit.

Section 4: Expenditures

The Board of Trustees shall establish executive limitations to ensure actual allocations by the Executive do not deviate materially from congregationally approved budget priorities or exceed the funds that are reasonably projected to be available.

Section 5: Use of Church Buildings and Facilities

The Board of Trustees shall establish executive limitations governing the use of buildings and facilities and property of the church by members as well as by outside groups.

Section 6: Meetings

The Board of Trustees shall meet monthly on a regular prescribed date. The President or any three Board of Trustees members may call additional meetings. Notice shall be given to the Trustees of the time and purpose of any such special meeting. A majority of the Trustees shall constitute a quorum. All actions of the Board of Trustees shall be by majority vote of those present.

Any member of the church is entitled to attend any Board of Trustees meeting except Executive Sessions.

The Board may hold Executive Sessions only to discuss confidential matters; however, no action may be taken during Executive Sessions.

Section 7: Board Communications with Congregation

The Board of Trustees will regularly report major decisions to the congregation. Board meeting agendas and minutes will be made publicly available within a reasonable timeframe.

Section 8: Absence from Meetings

Three absences from regular meetings by a Board of Trustees member without prior notification shall be considered resignation from the position.

ARTICLE VII: OFFICERS

Section 1: President

An individual shall succeed to the office of President of the Congregation after having served one year as President-Elect. However, in the event of a mid-term vacancy in the office of President or President-Elect, a President may be elected or appointed who has not served a full year as President-Elect. No individual shall serve more than two consecutive terms as President.

The responsibilities of the President shall include but not be limited to the following:

- A. serving as chairperson of the Board of Trustees;
- B. appointing special committees as may be authorized by the Congregation or Board of Trustees;
- C. serving as chairperson for congregational meetings;
- D. appointing an official parliamentarian for congregational meetings;
- E. causing a count of eligible members to be made prior to each congregational meeting for the purpose of determining the number required for a quorum;
- F. explaining, at the beginning of all congregational meetings, items relating to the meeting including requirements for voting eligibility, quorum requirements, special rules to be used for the meeting, and any other items the President deems pertinent;
- G. exercise the functions associated with the Chairperson or President as required by state law, such as executing certain legal documents.

Section 2: President-Elect

An individual shall be elected at a business meeting of the Congregation, by a majority vote of those voting members present, for a two-year term, the first year serving as President-Elect and the second year serving as President of the Congregation.

The responsibilities of the President-Elect shall include, but not be limited to:

- A. working closely with and assisting the President in all duties and performing any duties that the President delegates;
- B. performing the duties of the President during the temporary absence or disability of the President.

Section 3: Treasurer

A Treasurer shall be nominated and elected by the Congregation for a one-year term.

The Treasurer sees that the Board is properly trained on financial circumstances and developments and facilitates the Board's oversight responsibilities with regard to financial management. The Treasurer also ensures at least annual monitoring of overall board policies related to finances occurs through independent auditing and/or other means. The Treasurer also carries out the duties enumerated in Article XIV, Section 2 of these bylaws, in relation to the Permanent Endowment Fund.

Section 4: Secretary

A Secretary shall be nominated and elected to a one-year term by the Congregation.

The Secretary ensures that minutes of meetings of the members of the Congregation and of the Board of Trustees are properly taken and maintained, works with the staff to ensure that other corporate records are properly maintained, ensures that board policies are kept current and available publicly and is authorized to execute legal documents in the capacity of corporate Secretary.

ARTICLE VIII: CONGREGATIONAL MEETINGS

Section 1: Fiscal Year

The fiscal year shall be the same as the calendar year.

Section 2: Spring Semi-Annual Meeting

The election of officers and members of the Board of Trustees and the election of the Nominating Committee, as well as the transaction of other business shall take place at the spring semi-annual congregational meeting of the church. The time and place of the meeting shall be set by the Board of Trustees. The Nominating Committee will present a recommended slate of candidates at the meeting.

Section 3: Fall Semi-Annual Meeting

The adoption of the annual church budget and the transaction of other business shall take place at the fall semi-annual congregational meeting of the church. The time and place of the meeting shall be set by the Board of Trustees.

Section 4: Special Meetings and Petition Right

Special congregational meetings may be called by

- A. the President of the Board of Trustees,
- B. at least three members of the Board of Trustees, or
- C. petition. The President or another member of the Board of Trustees shall post legal notice of a special meeting within three weeks of receiving a written request signed by no fewer than 20 percent of the voting members. The questions or issues to be discussed shall be on the original petition and on the agenda for the meeting.

Section 5: Notice of Membership Status

A list of voting members shall be posted in a publicly available location within the church at

least two Sundays prior to congregational meetings. This list shall be subject to correction up to the time of the meeting when supporting proof is provided for the requested changes.

Section 6: Notice of Meetings

Notice of the time and place of any meeting shall be mailed, e-mailed, or otherwise effectively and reliably transmitted to the members, and shall be posted in a publicly available place in the church at least 20 days prior to the meeting day. Notice of the spring semi-annual meeting shall include the recommendations of the Nominating Committee for officers and members of the Board of Trustees and the nominations for the Nominating Committee. Notice of the fall semi-annual meeting shall include the proposed budget.

Section 7: Terms of Office

All terms of office shall begin on June 1.

Section 8: Agenda

Notice of the congregational meetings shall list other business to be considered. Matters not listed in the meeting notice will be considered for discussion only and shall follow termination of listed business. If the Board of Trustees by majority vote determines that an emergency necessitates a special congregational meeting, notice of the meeting shall be mailed, e-mailed, or otherwise effectively and reliably transmitted to the members at least seven days prior to the meeting or given by telephone at least three days before the meeting date.

Section 9: Quorum

Ten percent of the voting members shall constitute a quorum.

Section 10: Procedure

Unless otherwise specified herein, the procedure for any congregational meeting is to be governed by such rules of order as are adopted at the meeting. In absence of specific enactment to the contrary, and where the bylaws are silent, Robert's Rules of Order, Currently Revised shall govern. Absentee voting and votes by proxy or by attorney shall not be accepted.

ARTICLE IX: ELECTIONS AND APPOINTMENTS

Section 1: Selection of Nominating Committee Members

The Nominating Committee shall consist of five voting members of the church, two appointed by the Board of Trustees, and three elected by the congregation. The three elected members will serve staggered three-year terms, with one member elected at each semi-annual spring meeting of the congregation. The Board of Trustees will appoint two members at the April Board meeting to serve one-year terms. Nominations for elective members of the committee shall be delivered to the Secretary of the Board of Trustees and made publicly available at least 20 days prior to the meeting. In the event of a vacancy on the Nominating Committee, the Board of Trustees shall select a replacement.

Section 2: Nomination and Election Procedures

In order to carry out its responsibility, the Nominating Committee will receive a current list of voting members. The Board Secretary shall provide the Nominating Committee with a list of

Board of Trustee positions to be filled. No recommendations or nominations should occur without consent of the person nominated or recommended. The committee shall elect its own chair. Meetings of this committee are closed.

- A. Nominations for the Board of Trustees: Every voting Church member shall have the right to present his or her name or that of any other voting member for consideration for nomination by the Nominating Committee as a candidate for elective office. The committee shall submit to the Secretary of the Board of Trustees a slate of nominations for positions to be voted on by the congregation at the spring semi-annual meeting. These nominations shall include those for Trustee positions on the Board of Trustees and for President (if needed due to a President-Elect not being available to accede to President), President-Elect, Secretary and Treasurer. These names shall be submitted in sufficient time to enable the Secretary to make them publicly available at least 20 days prior to the meeting date and to publicize them along with the notice of the meeting to members not less than 20 days prior to the spring semi-annual meeting.
- B. Recommendations for Chairpersons of Ministry Teams: The Nominating Committee will work with the Executive to recruit and identify chairpersons for church ministry teams, and the Executive will have the ultimate responsibility for appointing such Chairpersons.
- C. Recommendations for nominating committee members: The Nominating Committee is responsible for recommending names of certain members of the Nominating Committee, as otherwise specified in these bylaws. The Nominating Committee shall submit to the Secretary of the Board of Trustees a slate of recommended committee member candidates to be voted on by the congregation at the spring semi-annual meeting.
- D. The Nominations for Trustees, Officers, and Nominating Committee members may also be made by petition signed by at least five voting members, filed with the Board Secretary at least 14 days before the meeting date with the prior consent of the nominee to serve if elected. Such consent must be made in writing and filed with the Nominating petition.

ARTICLE X: MINISTRY TEAMS AND CHURCH AFFILIATED ORGANIZATIONS

Section 1: Establishment of Ministry Teams

The Executive shall establish or abolish ministry teams as outlined in Article V. Section 5 of these bylaws, as the executive deems necessary for ministries of the church. Ministry Teams duly established and charged may appoint task forces, which are represented by their parent Ministry Team.

Section 2: Ministry Team Chairs

The chairperson of a ministry team must be a voting member of the church.

Section 3: Church Affiliated Organizations

Organizations whose activities and practices are consistent with the values and mission of the Church may apply in writing to be recognized by the executive as "Affiliated Organizations." The executive has the authority to revoke affiliation of any organization which no longer conform to the values and mission of the church or that otherwise do not comply with procedures the executive may establish for the management of such affiliations.

ARTICLE XI: SENIOR MINISTER

Section 1: Selection

In the event of a vacancy in the position of senior minister, the Board of Trustees shall appoint a committee of at least nine persons to assist in the selection of a candidate for this position. Upon nomination by the Board of Trustees, election to the position of senior minister shall be by an affirmative vote of two-thirds of the members of the church present and voting at a regular or special meeting.

Section 2: Tenure

The tenure of the senior minister shall be indefinite.

Section 3: Resignation

In the event that the senior minister resigns, he or she shall give the church not less than three months' notice, unless the Board of Trustees shall waive this requirement.

Section 4: Termination

A majority vote of those present and voting at a called meeting of the membership shall be necessary for the senior minister's dismissal.

Section 5: Accountability and Authority of the Senior Minister

- A. The Senior Minister shall provide religious leadership and pastoral care for the Congregation and shall have the responsibility for Sunday services.
- B. Acting as the Executive (or as a member of an Executive Team as may be decided by the Board of Trustees), the Senior Minister shall:
 - a. be accountable for the hiring, supervision and dismissal of staff;
 - b. be accountable for the coordination and oversight of ministry teams and volunteers;
 - c. be accountable for the business affairs and day to day operational and fiscal matters of the church;
 - d. ensure that church records are maintained in an up to date manner and held within a proper repository.
- C. The Senior Minister shall make a report to the Congregation at annual meetings.
- D. The Senior Minister shall bring to the Board of Trustees all matters which the Senior Minister deems necessary and proper or that is requested by the Board of Trustees as a part of annual monitoring.
- E. The Senior Minister shall be accountable to the Board of Trustees for the reasonable interpretation of and compliance with board established policies.

ARTICLE XII: DISPOSITION OF PROPERTY

In the case of dissolution of the church, all of its property, real and personal, after paying all just claims upon it, shall be conveyed to and vested in the Unitarian Universalist Association or its legal successor, and the Board of Trustees of the church shall perform all actions necessary to effect such conveyance.

ARTICLE XIII: POLICY AND PROCEDURES

These bylaws are supplemented by Board Policies; however, in no case shall any policy be established that contradicts or supersedes these bylaws and any policy found to do so shall be considered null and void.

ARTICLE XIV: CHURCH SAVINGS AND ENDOWMENT FUNDS

Section 1: Savings Fund (formerly Memorial Savings Fund)

At the end of each fiscal year, operating funds in excess of two months budgeted expenses for the next fiscal year shall be transferred into the church Savings Fund. Funds may be withdrawn according to two rules:

A: A maximum of five and one half (5.5) percent of the Savings Fund as valued on September 30 of each year may be made available to the operating fund for the subsequent fiscal year.

B: Any other expenditures from the Savings Fund may be made only after approval by a two-thirds vote of the members present and voting at a regular or called congregational meeting. The value of the Savings Fund may not be reduced through withdrawals permitted by Section 1.B to less than two hundred fifty thousand dollars (\$250,000).

Section 2: Permanent Endowment Fund (PEF)

Management of the PEF: The PEF shall be maintained as a separate investment account.

- A. Except as specified herein, no portion of distributions from the PEF shall be used for expenditures that would normally be included within the annual operating budget of the congregation.
- B. Accumulation and Distributions. The Treasurer shall ensure that a record is kept of all gifts to the PEF, and the Executive or designee shall determine what is principal and income according to accepted accounting procedures. Gifts to the PEF shall accumulate until a fair market value of One Million Dollars (\$1,000,000.00) is achieved, after which annual distributions of income and appreciation may commence, as long as the fair market value of the PEF remains over \$1,000,000. The maximum amount available for distribution shall be determined by the Executive or designee annually based on the income and appreciation available on December 31 of the year preceding the year in which distributions are to be made.
- C. Distributions from the PEF may be made as deemed necessary and/or feasible to accomplish the following purposes:
1. for the physical plant of FUUCA, such as but not limited to maintenance of buildings, capital improvements or renovations, or debt reduction;
 2. for outreach into the community, including, but not limited to, grants to camps and conferences, theological schools, local social service agencies or institutions to which this congregation relates, and to special programs designed for those persons in our community who are in spiritual and/or economic need; and
 3. for the wider mission of Unitarian Universalism, including, but not limited to,

grants for new church development; leadership training; community and educational ministries; world mission; capital financing; scholarships or grants to members of FUUCA for the purpose of attending college, theological, nursing, or medical school; for UU-related camping or leadership conferences; or such other training which enables members of this congregation to grow in faith and service to Unitarian Universalism.

D. The Board of Trustees shall approve distributions from the PEF.

The Board of Trustees may adopt policies and procedures as necessary to ensure the proper administration of the PEF. The BOARD OF TRUSTEES is specifically authorized to delegate the authority to solicit, consider and/or approve requests for distributions.

Section 3: Donor Restricted Funds

The Executive shall ensure that accurate records are kept for contributions wherein the donor restricts the use of such contributions and that all laws and best practices for the management of restricted funds are strictly adhered to on an ongoing basis.

ARTICLE XV: AMENDMENTS

These bylaws may be amended or repealed at any congregational meeting by a two-thirds vote of the members present and voting. Notice of any proposed change shall be contained in the call to the meeting.

Adopted February 24, 1955

Amended or Replaced: May 5, 1963, November 12, 1967, April 27, 1969, April 25, 1971, May 12, 1972, May 6, 1973, April 28, 1974, April 27, 1980, April 15, 1984, April 26, 1987, April 23, 1989, December 5, 1993, May 1, 1994, April 30, 1995, December 7, 1997, February 21, 1999, May 4, 2003, May 1, 2005, December 11, 2005, May 6, 2007, December 14, 2008, May 3, 2009, December 13, 2009, May 16, 2010 and May 15th, 2011.

C. Financial Planning / Budgeting

Financial planning for any fiscal year or remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a documented [multi-year staffing and financial plan](need to have a consistent label for the plan).

Accordingly, the Senior Minister shall not allow budgeting that:

- Fails to communicate a reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- Provides less for Board prerogatives during the year than is set forth in the Cost of Governance Policy.
- Plans the expenditure in any fiscal year of more funds than are reasonably projected to be available in that period.

[Accepted: January 18th, 2011]

D. Financial Conditions & Activities

With respect to the congregation's actual, ongoing financial condition and activities, the Executive shall not cause or allow the development of financial jeopardy or deviation from priorities established in Ends policies or [Long Range Plan](need to have a consistent label for the plan).

Accordingly the Senior Minister shall not:

- Allow actual allocation to deviate materially from congregationally approved budget priorities, unless authorized by the Board.
- Borrow any amounts without prior Board approval. Designate funds in manner inconsistent with the donor's intentions or in a manner inconsistent with best accounting practices.
- Expend any endowment or designated funds other than for the purposes determined at time of receipt or designation.
- Fail to settle payroll and other obligations in a timely manner.
- Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- Commit the church to any contract outside of approved budget authority.

[Accepted: February 15th, 2010]

Please note there have been a few updates to these policies since this document was created.

E. Continuous Operations Plan

In order to protect the church and Board from sudden loss of the Senior Minister, the Senior Minister shall not fail to maintain a continuous operations plan.

[Accepted: January 18th, 2011]

F. Asset Protection

The Senior Minister shall not cause or allow Church assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, he or she may not:

- Fail to insure against theft and casualty losses and against liability losses to Board members, staff, and the organization.
- Fail to operate based on a clearly articulated investment plan.
- Allow unbonded personnel access to material amounts of funds.
- Subject facilities, premises, and equipment to improper wear and tear or insufficient maintenance.
- Fail to protect intellectual property, information, and files from loss or significant damage, or the lack of application of appropriate documentation and retention standards.
- Fail to seek competitive bids when appropriate.
- Receive, process, or disburse funds under insufficient controls.
- Invest or hold money in insecure instruments, including uninsured checking accounts and bonds.
- Endanger the organization's public image or credibility.

[Accepted: January 18th, 2011]

Please note there have been a few updates to these policies since this document was created

G. Compensation & Benefits

With respect to employment, compensation and benefits to employees, consultants, and contract workers, the Senior Minister shall not cause or allow jeopardy to fiscal integrity and shall not fail to strive for fair compensation.

Accordingly, the Senior Minister shall not:

- Change his or her own compensation, benefits, or allocated professional expenses as established by the board.
- Promise or imply permanent or guaranteed employment.
- Establish current compensation and benefits that:
 - (a) deviate materially from the geographic market for the skills employed
 - (b) create contractual obligations over a term longer than revenues can be safely projected and in all events subject to losses of revenue.
- Establish compensation and benefits so as to cause unpredictable or inequitable situations.

Example Only -- New Minister will actually create these.

Executive Interpretation of Executive Limitation D. Bullet – shall not designate funds in a manner inconsistent with the donor’s intentions or in a manner inconsistent with best accounting practices.

A written record of donor intent will be kept and followed if the donor designates funds to a specific purpose and the executive accepts such restrictions. The executive will first work with such a donor to determine if the donor’s wishes may be met through existing means and funds. If not, the executive will determine whether the restriction is consistent with the mission and ends of the church before accepting such restrictions.

If the executive designates funds toward a specific purpose, such designated funds will be tracked within the accounting system and fund balances will be reflected on the balance sheet.

Assignment of Income

The cash value of all income received by the Church, no matter the type of financial asset, will be recorded in the Church's financial records as designated for one of the following:

Operations Fund: the normal day-to-day income and expenditures fund for the continuing operation of the Church. Pledged and Sunday plate contributions and rental receipts comprise most of the income for this Fund, but there are other lesser income sources as well. The Church's annual Operations Fund Budget approved by the membership at the fall semi-annual meeting controls the expenditures from this Fund.

Restricted Funds: any of a number of special funds through which contributions are sought and expenditures made for specific designated purposes. These funds shall be reviewed annually and any such fund which is no longer needed or which has been inactive for two consecutive years shall be closed. The executive shall designate where any balance remaining in a Restricted Fund that is being closed shall be credited.

Savings Fund: a Restricted Fund established by the Church membership and controlled by provisions of the bylaws

Murr Fund: a Restricted Fund established from a donation by a member for the benefit of the Church music program and controlled by provisions of the bylaws.

Permanent Endowment Fund: a Restricted Fund established by the church membership for the purpose of providing a permanent and growing foundation of financial stability for the long term financial health and continuity of the Church, the principal of which may not be used to supplement the annual operating budget of the church except under extreme circumstances as set forth in the bylaws.

Typically, contributors to the Church indicate which of the above funds their contributions are for. In all cases, these designations shall be honored.

From time to time, contributions without designation or with an imprecise designation are received. It shall be the responsibility of the executive to decide which fund, or funds, will be credited with these contributions. In the case of relatively large such contributions, or if there is a reasonable basis

Example

for uncertainty, the Executive shall consult with the contributor before making a final determination. All contributions indicating that the contribution is for an “endowment” fund shall be deposited to the Permanent Endowment Fund, whether or not the designation uses the precise name of the Fund.

Executive Interpretation of Executive Limitation D. Bullet – shall not expend any endowment or designated funds other than for the purposes determined at the time or of receipt or designation.

Distributions from executive restricted or donor-restricted funds shall be made only in compliance with the stated purposes of such funds.

Distributions from the Savings Fund, Murr Fund and the Permanent Endowment shall only be made in compliance with the restrictions set forth in the bylaws, which are detailed below for easy reference.

Calculation of Annual Transfer from Operating Fund to Savings Fund: _____

The annual transfer from the operating fund to the savings fund if there is excess of two months budgeted expenses for the next fiscal year shall be calculated as follows:

Operating fund net assets plus or minus the net revenue/loss for the year plus any receivables

Total Operating (and Restricted) Fund Assets

OPERATING FUND CASH

Unrestricted Net Assets

Plus Year’s Net Income

Plus RECEIVABLES

BALANCES of OTHER (Restricted) CHURCH FUNDS

Total of restricted funds

Murr Music Fund

Memorial Savings Fund

Permanent Endowment Fund

Plus FIXED ASSETS

Less Restricted Fund Equity Balances

Less Fixed assets

Less Liabilities

ACCOUNTS PAYABLE

OTHER CURRENT LIABILITIES

Direct Deposit Liabilities

Key/Security Deposits

Payroll Liabilities

TOTAL LIABILITIES

Less other major known encumbrances

Equals Operating Fund Reserve

Less 2/12 times total expense budget for next year

Equals Transfer amount

Example Only – New minister will actually create these.

Executive Interpretation of Executive Limitation F. Bullet – Receive, process or disburse funds under insufficient financial controls:

The cash value of all contributions, rental receipts, and any other income received by the Church is to be recorded in the Church's financial records. No person may approve or agree to any form of financial transaction, receipt or disbursement in the name of First Unitarian Universalist Church of Austin without that transaction being fully and truly recorded in the Church's financial records in a timely manner.

Sunday deposits shall be totaled immediately, entered into the accounting system and deposited that day by approved Sunday staff. Funds that are received during the week are logged by office staff and stored in a secured vault to be entered into the accounting system and deposited at least twice per week.

Check disbursements shall normally be recorded and printed from within the accounting system at the time such checks are issued through the computerized accounting system and based upon completed check request forms that detail the required information and purpose. In the event that a manual check has to be written due to a power failure or other emergency, such a check shall be entered into the accounting system as soon as it is feasible.

Church accounts shall be reconciled at least monthly and proper segregation of financial duties shall be maintained (see separate policy attached), as well as procedures for check signing authority (see separate procedure attached).

If individual company securities are contributed to the Church, they shall be sold within eight weeks, with the proceeds being added to the appropriate Church accounts.

Written procedures for the designation (restriction) of funds, the assignment of income and disbursement of funds in accordance with board executive limitations policies and the church bylaws shall be maintained (see separate documents).

Example Only – New minister will actually create these.

Check Signing Authority

Officer	Bank Accounts	Endowment Accounts	Other Investments
Treasurer	Backup & large checks	Primary	Primary
Executive Director	Primary	Secondary	Secondary
President	Backup & large checks	Backup & large checks	Backup and large checks

Either Treasurer or Executive Director shall sign all checks for under \$2,000.

Checks for more than \$2,000 shall require signatures from two of the following three people: Treasurer, Executive Director, or President.

A check signer may not sign a check payable to her/himself (with the exception of regularly recurring payments as described below).

No checks shall be made payable to cash.

Regularly recurring payments (e.g. payroll, regular contracted services, etc.) shall be reviewed and authorized with signature by at least one check signer. For payments that are not recurring, the disbursement shall be reviewed and authorized with the same number of signatures required of checks of the same amount.

Example Only – New minister will actually create these.

Segregation of Duties

First UU Church of Austin

Last updated: February 9, 2011

Sunday Collection	2 Ushers and/or volunteer Deposit Supervisors	The Deposit Supervisors (e.g., Ruby Edmunds) must be unrelated to the treasurer, bookkeeper, and executive director.
Sunday Deposit	Deposit Supervisors	
Open mail	Office Admin (N Freeburg)	
Copy Checks & Fill Out Deposit Slip during week	Weekly Deposit Supervisor	Currently Mary Jane Ford on Thursdays
Make weekly deposit	Executive Director	On Thursday afternoon, generally, of all weekday receipts from previous week.
Data into Quickbooks, ChurchDB, etc.	Bookkeeper	
Prepare checks	Bookkeeper	
Sign checks	Executive Director	Pres & Treasurer just backup or checks that require multiple signatures
Reconciliation	Executive Director	Monthly
Internal Audit	Internal Audit Committee	IA Cmte members must be independent of check signers and bookkeeper (no family relation, etc.)

Example Only – New minister will actually create these.

Executive Interpretation of Executive Limitation F. Bullet – shall not invest or hold money in insecure instruments, including uninsured checking accounts and bonds.

All Church financial assets other than real property shall be deposited with reputable financial institutions, which provide regular, clear, informative, and auditable reports. The executive shall maintain for the Church one or more checking accounts and one or more investment accounts. These accounts must provide convenient and auditable electronic funds transfer services amongst them.

The primary checking account shall be the day-in, day-out account for receiving deposits and against which authorized expenditure checks are written.. All other financial assets, except the assets of the Murr Fund and the Permanent Endowment Fund, shall be retained as an investment pool in the Church investment account or accounts. The assets of the Murr Fund and the Permanent Endowment Fund shall be held in separate investment accounts. All accounts shall be subject to federal or other insurance.

Example Only – New minister will actually create these.

Executive Interpretation of Executive Limitation F. Bullet – may not fail to operate based upon a clearly articulated investment plan.

The fundamental objective in managing the Church's investment pool shall be to realize income and growth at rates commensurate with overall United States of America financial marketplace performance. The Church shall not expend money or effort attempting to outperform average marketplace results.

To achieve this fundamental objective, marketplace history makes it clear that a substantial portion of the Church's investment pool will, much of the time, be invested in equities. However, it shall be the policy of the Church not to hold stock in individual companies. If individual company stocks are contributed to the Church, they shall be sold within eight weeks with the proceeds being added to the appropriate Church accounts. All equity investments shall be made through mutual funds and Exchange Traded Funds. The church shall not sell any investment instruments short, purchase hedge funds, or deal in options.

The Executive or designees will work with and through an experienced, professional broker/advisor/money manager who shall provide market analyses, investment pool allocation recommendations, and specific investment vehicle recommendations. The intent here is to work with a professional who will provide long-term continuity and stability in overseeing and protecting the Church's investments. Members of the Church will be specifically prohibited from filling this professional advisor role.

It is anticipated, that the executive will delegate responsibility for working with the professional advisor and overseeing the investment pool management to the Finance Committee. However, the executive bears the ultimate fiduciary responsibility for assuring that this Policy is adhered to in all its particulars.

Assignment of Investment Pool Interest/Dividends & Gains/ (Losses)

The investment pool will earn interest and dividends, and, at any point in time, will have realized and/or unrealized gains/ (losses). As specified in the Resolution Establishing A Memorial Savings Fund, it shall be the policy of the Church to credit in the Church's financial records all such interest, dividends, gains, and losses to the Memorial Savings Fund. This policy results in all investment pool monies from the Operations Fund and Restricted Funds being included in the investment pool on a "no risk, no gain or loss" basis. (Note: interest earned in the checking account, if any, shall be credited to the Operations Fund.)

Murr Fund and Permanent Endowment Fund Interest/Dividends & Gains (Losses)

The Murr Fund and the Permanent Endowment Fund will each earn interest and dividends, and will have realized and/or unrealized gains/losses. It shall be the policy of the Church to credit all interest, dividends and gains and losses gained by a Fund to that particular Fund.