

FUUCA Board of Trustees

Meeting date: **Tuesday, March 20, 2012 from 6:30 PM to 9:30 PM**

Location: FUUCA

Purpose/Notes: Regular scheduled meeting

Invited Guests: (no guests)

Meeting Documents:

- Nov financial report 30-l-12.xls
- Sullivan Observations.doc

Agenda:

1. Committee business

1.1. Chalice Lighting and Opening Words	Chris Jimmerson / 2 min
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1.2. Reading of Board Covenant	Chris Jimmerson / 2 min
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1.3. Confirm Timekeeper and Process Evaluator	Chris Jimmerson / 2 min
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1.4. Approve Agenda and Consent Agenda	Brendan Sterne / 2 min
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Documents:

- Dec 2011 F Report Coversheet.doc
- dec 2011 financial report.xls
- Limitations Interpretation 2-6 asset protection.doc
- Nov 2011 Financial report cover.doc
- Nov financial report 30-l-12.xls

1.5. Visitors Forum	Chris Jimmerson / 10 min
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1.6. Recognition of Church Volunteers and Staff	Brendan Sterne / 2 min
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1.7. Moment with Meg	Brendan Sterne / 10 min
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2. Old business

No Old business

3. New business

3.1. Assessing the Past (Monitoring)	Chris Jimmerson
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3.1.1. Policy workgroup report on revision of executive limitation 2.4.4	Klondike Steadman / 5 min
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3.1.2. Interpretation and Monitoring of Ends 2.6 "Asset Protection"	Meg Barnhouse / 30 min
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3.2. Snacks	Chris Jimmerson / 15 min
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3.3. Learning and Creating the Future

Chris Jimmerson

3.3.1. May PBG Orientation

Susan Thomson / 5 min

3.3.2. Focus Topic: Almost Church Revitalized, Chapter 5

Klondike Steadman / 30 min

4. Committee business

4.1. Action Items

Brendan Sterne / 5 min

4.2. Process Evaluation

Chris Jimmerson / 5 min

4.3. Reading of Board - Executive Covenant

Chris Jimmerson / 2 min

4.4. Extinguishing the Chalice and Closing Words

Brendan Sterne / 2 min

With the Values, Mission and Ends of First UU Austin foremost in mind, we covenant

- To respect our time together by being focused, prepared and timely
- To listen actively, and address concerns directly
- To trust that each is acting in good faith
- To show compassion, respect boundaries, and enjoy each other's good humor
- To keep confidentiality when it is requested
- To be called back into covenant
- And at the end of our deliberations, to speak with one voice

Financial Report -- First UU Church of Austin November 2011

Unrestricted Cash Balance (end of month):	\$111,210.88
	(1.93 months operating expenses)

The church's operating fund grew slightly in November.

The Fine Print (Only for those who like digging into the details.)

Special Plate Fund – We have resolved lingering balances that had accumulated in the special plate fund. When everything is running in a timely way, the account shows a balance of zero at the end of the month because all money that is collected gets disbursed.

New Subaccounts for Payroll Liabilities and Payroll Taxes – in order to improve the accuracy of the books, and facilitate the resolution of some errors that had crept into the system, we have some new subaccounts. The payroll liabilities subaccounts appear in the 2400s on the balance sheet and the payroll taxes in the 6630s in the profit & loss detail report. These changes are retroactive to January 2011. While this would technically constitute an adjustment of months that have been closed, we have left the subtotals and totals unchanged. So, any adjustment really constitutes simply an addition of a little detail to previous financial reports.

First Unitarian Universalist Church of Austin
Balance Sheet
As of November 30, 2011

	<u>Nov 30, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash & Investments	
1100 · Bank	
1110 · THCU Checking	31,317.01
1120 · THCU Savings	200.00
1130 · THCU Money Market	13,706.61
1140 · THCU CDs	<u>55,734.65</u>
Total 1100 · Bank	100,958.27
1200 · Schwab Accounts	
1210 · Permanent Endowment Account	118,149.24
1220 · Mixed Investment Account	398,158.54
1230 · Murr Music Account	<u>39,466.67</u>
Total 1200 · Schwab Accounts	555,774.45
1300 · Annuity 2014	11,757.16
1400 · Petty Cash	
1410 · Religious Ed PC 1	200.00
1430 · Religious Ed PC 2	<u>1,000.00</u>
Total 1400 · Petty Cash	<u>1,200.00</u>
Total 1000 · Cash & Investments	<u>669,689.88</u>
Total Checking/Savings	669,689.88
Accounts Receivable	
11000 · Accounts Receivable	<u>0.00</u>
Total Accounts Receivable	<u>0.00</u>
Total Current Assets	669,689.88
Fixed Assets	
1500 · Fixed Assets	
1510 · Building - at cost	672,232.75
1530 · Land - Travis CAD '10 Value	1,508,930.00
1540 · Furniture & Equipment	<u>127,767.25</u>
Total 1500 · Fixed Assets	<u>2,308,930.00</u>
Total Fixed Assets	<u>2,308,930.00</u>
TOTAL ASSETS	<u><u>2,978,619.88</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000 · Liabilities	
2110 · Direct Deposit Liabilities	0.00

First Unitarian Universalist Church of Austin
Balance Sheet
As of November 30, 2011

	Nov 30, 11
2200 · Security Deposits	80.00
2400 · Payroll Liabilities	
2402 · FICA	0.56
2405 · Health Care Payable	7,883.01
2400 · Payroll Liabilities - Other	1,618.05
Total 2400 · Payroll Liabilities	9,501.62
Total 2000 · Liabilities	9,581.62
Total Other Current Liabilities	9,581.62
Total Current Liabilities	9,581.62
Total Liabilities	9,581.62
 Equity	
3001 · Fixed Assets - Equity	2,308,930.00
3100 · Restricted Funds	
3200 · Cong. Restricted Funds	
3220 · Permanent Endowment Fund	120,649.24
3240 · Memorial Savings Fund	267,577.68
3260 · Murr Music Fund	39,126.47
Total 3200 · Cong. Restricted Funds	427,353.39
3400 · Board Restricted Funds	
3405 · Long Range Fund	40,165.36
3406 · Bridge Builder Action Team Fund	0.00
3410 · Capital Campaign Fund	10,000.00
3415 · Paradox Players Fund	17,035.35
3420 · Religious Education Fund	
3422 · CampUU/Hogwarts Fund	6,140.74
3424 · Junior High Fund	2,712.65
3426 · Senior High Fund	2,152.04
3427 · Lecture Series Fund	368.43
3428 · Adult RE Fund	3,158.85
3429 · Children's RE Fund	486.66
Total 3420 · Religious Education Fund	15,019.37
3440 · Caring Fund	1,601.07
3450 · Music Fund	
3452 · Children's Choir Fund	3,883.52
3456 · Music Other Fund	2,899.14
Total 3450 · Music Fund	6,782.66
3460 · Bookstore Fund	1,023.90
3465 · Denominational Affairs Fund	70.02
3470 · Facility Fund	
3472 · Emergency Fund	8,607.83
3474 · Green Sanctuary Fund	1,586.55
3476 · Recycling Program Fund	778.71
3478 · Grounds Fund	703.48

First Unitarian Universalist Church of Austin
Balance Sheet
As of November 30, 2011

	<u>Nov 30, 11</u>
Total 3470 · Facility Fund	11,676.57
3480 · Flowers Fund	329.34
3490 · Technology Fund	
3492 · Internet Ministries Fund	1,822.67
3494 · Media Team Fund	1,226.98
Total 3490 · Technology Fund	<u>3,049.65</u>
3505 · Meet & Eat Fund	264.66
3515 · Social Action Fund	5,147.10
3525 · Voyagers Fund	211.39
3530 · YARN Fund	208.24
3535 · Yew Grove Fund	306.76
3540 · Library Fund	289.38
3545 · Special Plate Fund	0.00
3550 · Minister's Discretionary Fund	0.00
3555 · Forum Fund	970.36
3560 · Worship Services Fund	1,000.00
3565 · Continuing Ed Fund	2,392.81
3570 · Living Our Mission Fund	4,000.00
Total 3400 · Board Restricted Funds	<u>121,543.99</u>
Total 3100 · Restricted Funds	548,897.38
3900 · Unrestricted Net Assets	77,079.82
Net Income	<u>34,131.06</u>
Total Equity	<u>2,969,038.26</u>
TOTAL LIABILITIES & EQUITY	<u>2,978,619.88</u>

Financial Report -- First UU Church of Austin December 2011

Unrestricted Cash Balance (end of month): \$83,876
 (1.5 months operating expenses)

Overall, the operating fund ended 2011 about 10% higher than it ended the last year.

The church's operating fund went down in December. This typically happens as staff and volunteers generally defer large, non-emergency expenses until the end of the year, just in case they have something urgent come up.

The Fine Print (Only for those who like digging into the details.)

Pledge Income

Pledge income came in slightly over 100% of budget.

Overall Income vs Expenses

Actual income and expenses came in under budget. Overall, income exceeded expenses by more than \$6,000.

Chalice Circle Fund

At the request of the IDLRE (Interim Director of Lifespan Religious Education), I opened a chalice circle fund on the balance sheet.

Bequest

We have received notice of a pending bequest from the estate of Martha Leipziger. The executor has told me that everything could get wrapped up as early as March or as late as July.

QuickBooks Clean up

After roughly two months of work, including several visits by a certified QuickBooks Pro Advisor, we have resolved the bugs that had crept into the system. Although none of the bugs had a significant impact on the church's financial health, they did impact important details. We now feel a high level of confidence in the setup of payroll liabilities, how benefits get reported on employee pay stubs and to the IRS, and that the books can properly reflect any employee contributions to their pensions.

UUA Health Care Bill Paid

The UUA informed us in mid-2011 that we had an overdue bill for health insurance exceeding \$10,000. This had gone undetected by three treasurers, two bookkeepers, and me because the UUA's bills communicated this unclearly. My own analysis of five years of bills showed that we indeed had unpaid bills, amounting to a little under \$8,000. I negotiated with their Health Plan Director and he found my analysis convincing. The overdue bill is now paid in full.

Payroll Liabilities

Part of the aforementioned cleanup involved payroll liabilities (which appear on the balance sheet). Additional detail now appears to distinguish between payroll taxes and individual benefits.

Account 3240 – Savings Fund

I changed the name of account 3240 on the balance sheet from "Memorial Savings Fund" to "Savings Fund" to match the bylaws.

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Jan 31, 11</u>	<u>Feb 28, 11</u>	<u>Mar 31, 11</u>
ASSETS			
Current Assets			
Checking/Savings			
1000 · Cash & Investments			
1100 · Bank			
1110 · THCU Checking	32,304.31	26,584.45	37,222.44
1120 · THCU Savings	29.23	29.23	29.23
1130 · THCU Money Market	33,530.09	33,530.09	33,594.88
1140 · THCU CDs	55,260.73	55,260.73	55,425.24
Total 1100 · Bank	121,124.36	115,404.50	126,271.79
1200 · Schwab Accounts			
1210 · Permanent Endowment Account	124,248.43	128,117.95	129,700.27
1220 · Mixed Investment Account	399,133.25	407,059.22	409,427.13
1230 · Murr Music Account	40,072.02	40,993.13	41,078.11
Total 1200 · Schwab Accounts	563,453.70	576,170.30	580,205.51
1300 · Annuity 2014	11,283.28	11,283.28	11,283.28
1400 · Petty Cash			
1410 · Religious Ed PC 1	0.00	0.00	0.00
1430 · Religious Ed PC 2	0.00	0.00	0.00
Total 1400 · Petty Cash	0.00	0.00	0.00
Total 1000 · Cash & Investments	695,861.34	702,858.08	717,760.58
Total Checking/Savings	695,861.34	702,858.08	717,760.58
Accounts Receivable			
11000 · Accounts Receivable	-160.00	-210.00	-150.00
Total Accounts Receivable	-160.00	-210.00	-150.00
Total Current Assets	695,701.34	702,648.08	717,610.58
Fixed Assets			
1500 · Fixed Assets			
1510 · Building - at cost	672,232.75	672,232.75	672,232.75
1530 · Land - Travis CAD '11 Value	1,508,930.00	1,508,930.00	1,508,930.00
1540 · Furniture & Equipment	127,767.25	127,767.25	127,767.25
Total 1500 · Fixed Assets	2,308,930.00	2,308,930.00	2,308,930.00
Total Fixed Assets	2,308,930.00	2,308,930.00	2,308,930.00
TOTAL ASSETS	3,004,631.34	3,011,578.08	3,026,540.58
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
2000 · Liabilities			
2110 · Direct Deposit Liabilities	0.00	0.00	0.00

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Jan 31, 11</u>	<u>Feb 28, 11</u>	<u>Mar 31, 11</u>
2200 · Security Deposits	80.00	80.00	80.00
2400 · Payroll Liabilities			
2401 · Fed W/H	0.00	0.00	0.00
2402 · Social Security	0.00	0.00	0.00
2403 · Medicare	0.00	0.00	0.00
2405 · Health Care Payable	8,554.79	9,238.23	9,921.67
2406 · Dental Payable	210.36	210.36	210.36
2400 · Payroll Liabilities - Other	1,453.85	1,453.85	1,453.85
Total 2400 · Payroll Liabilities	<u>10,219.00</u>	<u>10,902.44</u>	<u>11,585.88</u>
Total 2000 · Liabilities	<u>10,299.00</u>	<u>10,982.44</u>	<u>11,665.88</u>
Total Other Current Liabilities	<u>10,299.00</u>	<u>10,982.44</u>	<u>11,665.88</u>
Total Current Liabilities	<u>10,299.00</u>	<u>10,982.44</u>	<u>11,665.88</u>
Total Liabilities	10,299.00	10,982.44	11,665.88
Equity			
3001 · Fixed Assets - Equity	2,308,930.00	2,308,930.00	2,308,930.00
3100 · Restricted Funds			
3200 · Cong. Restricted Funds			
3220 · Permanent Endowment Fund	125,748.43	129,617.95	131,200.27
3240 · Savings Fund	270,513.51	278,439.48	281,026.69
3260 · Murr Music Fund	39,331.82	40,252.93	40,387.91
Total 3200 · Cong. Restricted Funds	<u>435,593.76</u>	<u>448,310.36</u>	<u>452,614.87</u>
3400 · Board Restricted Funds			
3405 · Long Range Fund	41,282.73	41,282.73	41,282.73
3406 · Bridge Builder Action Team Fund	4,508.81	4,133.81	4,133.81
3410 · Capital Campaign Fund	10,000.00	10,000.00	10,000.00
3415 · Paradox Players Fund	14,604.28	16,152.29	17,509.87
3420 · Religious Education Fund			
3421 · Chalice Circles	0.00	0.00	0.00
3422 · CampUU/Hogwarts Fund	6,553.61	6,553.61	6,554.38
3424 · Junior High Fund	3,164.66	3,164.66	3,164.66
3426 · Senior High Fund	4,889.32	4,889.32	4,889.32
3427 · Lecture Series Fund	368.43	368.43	368.43
3428 · Adult RE Fund	2,704.48	3,002.98	2,986.68
3429 · Children's RE Fund	829.72	829.72	898.72
Total 3420 · Religious Education Fund	<u>18,510.22</u>	<u>18,808.72</u>	<u>18,862.19</u>
3440 · Caring Fund	4,521.04	4,221.04	4,021.04
3450 · Music Fund			
3452 · Children's Choir Fund	3,558.52	3,713.52	3,713.52
3456 · Music Other Fund	2,899.14	2,899.14	2,899.14
Total 3450 · Music Fund	<u>6,457.66</u>	<u>6,612.66</u>	<u>6,612.66</u>
3460 · Bookstore Fund	2,619.53	1,000.00	1,058.40
3465 · Denominational Affairs Fund	70.02	70.02	70.02
3470 · Facility Fund			

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Jan 31, 11</u>	<u>Feb 28, 11</u>	<u>Mar 31, 11</u>
3472 · Emergency Fund	11,557.83	8,607.83	8,607.83
3474 · Green Sanctuary Fund	1,586.55	1,586.55	1,586.55
3476 · Recycling Program Fund	778.71	778.71	778.71
3478 · Grounds Fund	703.48	703.48	703.48
Total 3470 · Facility Fund	<u>14,626.57</u>	<u>11,676.57</u>	<u>11,676.57</u>
3480 · Flowers Fund	329.34	329.34	329.34
3490 · Technology Fund			
3492 · Internet Ministries Fund	2,297.67	2,297.67	2,297.67
3494 · Media Team Fund	1,045.77	1,045.77	876.98
Total 3490 · Technology Fund	<u>3,343.44</u>	<u>3,343.44</u>	<u>3,174.65</u>
3505 · Meet & Eat Fund	208.90	167.38	93.09
3515 · Social Action Fund	2,588.97	2,563.97	3,235.97
3525 · Voyagers Fund	211.39	211.39	211.39
3530 · YARN Fund	208.24	208.24	208.24
3535 · Yew Grove Fund	44.06	44.06	13.75
3540 · Library Fund	453.02	316.18	295.61
3545 · Special Plate Fund	2,515.50	4,174.50	1,190.50
3550 · Minister's Discretionary Fund	2,983.33	2,983.33	3,183.33
3555 · Forum Fund	970.36	970.36	970.36
3560 · Worship Services Fund	1,000.00	1,000.00	1,000.00
3565 · Continuing Ed Fund	3,000.00	1,651.60	1,522.81
3570 · Living Our Mission Fund	0.00	0.00	0.00
Total 3400 · Board Restricted Funds	<u>135,057.41</u>	<u>131,921.63</u>	<u>130,656.33</u>
Total 3100 · Restricted Funds	570,651.17	580,231.99	583,271.20
3900 · Unrestricted Net Assets	76,273.33	76,273.33	76,273.33
Net Income	38,477.84	35,160.32	46,400.17
Total Equity	<u>2,994,332.34</u>	<u>3,000,595.64</u>	<u>3,014,874.70</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,004,631.34</u></u>	<u><u>3,011,578.08</u></u>	<u><u>3,026,540.58</u></u>

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	Apr 30, 11	May 31, 11
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash & Investments		
1100 · Bank		
1110 · THCU Checking	44,510.52	66,569.06
1120 · THCU Savings	29.23	29.23
1130 · THCU Money Market	33,594.88	33,594.88
1140 · THCU CDs	55,425.24	55,425.24
Total 1100 · Bank	133,559.87	155,618.41
1200 · Schwab Accounts		
1210 · Permanent Endowment Account	134,073.53	132,167.24
1220 · Mixed Investment Account	421,051.47	419,880.34
1230 · Murr Music Account	42,079.06	42,076.82
Total 1200 · Schwab Accounts	597,204.06	594,124.40
1300 · Annuity 2014	11,283.28	11,283.28
1400 · Petty Cash		
1410 · Religious Ed PC 1	0.00	0.00
1430 · Religious Ed PC 2	0.00	0.00
Total 1400 · Petty Cash	0.00	0.00
Total 1000 · Cash & Investments	742,047.21	761,026.09
Total Checking/Savings	742,047.21	761,026.09
Accounts Receivable		
11000 · Accounts Receivable	-90.00	-30.00
Total Accounts Receivable	-90.00	-30.00
Total Current Assets	741,957.21	760,996.09
Fixed Assets		
1500 · Fixed Assets		
1510 · Building - at cost	672,232.75	672,232.75
1530 · Land - Travis CAD '11 Value	1,508,930.00	1,508,930.00
1540 · Furniture & Equipment	127,767.25	127,767.25
Total 1500 · Fixed Assets	2,308,930.00	2,308,930.00
Total Fixed Assets	2,308,930.00	2,308,930.00
TOTAL ASSETS	3,050,887.21	3,069,926.09
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2000 · Liabilities		
2110 · Direct Deposit Liabilities	0.00	0.00

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	Apr 30, 11	May 31, 11
2200 · Security Deposits	80.00	80.00
2400 · Payroll Liabilities		
2401 · Fed W/H	0.00	0.00
2402 · Social Security	0.00	0.00
2403 · Medicare	0.00	0.00
2405 · Health Care Payable	10,605.11	11,288.55
2406 · Dental Payable	210.36	210.36
2400 · Payroll Liabilities - Other	1,453.85	1,453.85
Total 2400 · Payroll Liabilities	12,269.32	12,952.76
Total 2000 · Liabilities	12,349.32	13,032.76
Total Other Current Liabilities	12,349.32	13,032.76
Total Current Liabilities	12,349.32	13,032.76
Total Liabilities	12,349.32	13,032.76
Equity		
3001 · Fixed Assets - Equity	2,308,930.00	2,308,930.00
3100 · Restricted Funds		
3200 · Cong. Restricted Funds		
3220 · Permanent Endowment Fund	135,573.53	133,667.24
3240 · Savings Fund	292,651.03	291,479.90
3260 · Murr Music Fund	41,438.86	41,486.62
Total 3200 · Cong. Restricted Funds	469,663.42	466,633.76
3400 · Board Restricted Funds		
3405 · Long Range Fund	41,282.73	41,282.73
3406 · Bridge Builder Action Team Fund	4,133.81	4,133.81
3410 · Capital Campaign Fund	10,000.00	10,000.00
3415 · Paradox Players Fund	17,689.37	14,903.53
3420 · Religious Education Fund		
3421 · Chalice Circles	0.00	0.00
3422 · CampUU/Hogwarts Fund	12,304.73	13,422.28
3424 · Junior High Fund	3,140.66	2,965.66
3426 · Senior High Fund	4,460.86	4,407.86
3427 · Lecture Series Fund	368.43	368.43
3428 · Adult RE Fund	3,087.68	2,911.76
3429 · Children's RE Fund	1,098.72	958.22
Total 3420 · Religious Education Fund	24,461.08	25,034.21
3440 · Caring Fund	3,806.04	3,606.04
3450 · Music Fund		
3452 · Children's Choir Fund	3,733.52	3,733.52
3456 · Music Other Fund	2,899.14	2,899.14
Total 3450 · Music Fund	6,632.66	6,632.66
3460 · Bookstore Fund	831.40	864.18
3465 · Denominational Affairs Fund	70.02	70.02
3470 · Facility Fund		

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Apr 30, 11</u>	<u>May 31, 11</u>
3472 · Emergency Fund	8,607.83	8,607.83
3474 · Green Sanctuary Fund	1,586.55	1,586.55
3476 · Recycling Program Fund	778.71	778.71
3478 · Grounds Fund	703.48	703.48
Total 3470 · Facility Fund	<u>11,676.57</u>	<u>11,676.57</u>
3480 · Flowers Fund	329.34	329.34
3490 · Technology Fund		
3492 · Internet Ministries Fund	2,297.67	1,822.67
3494 · Media Team Fund	876.98	876.98
Total 3490 · Technology Fund	<u>3,174.65</u>	<u>2,699.65</u>
3505 · Meet & Eat Fund	102.66	148.76
3515 · Social Action Fund	2,965.97	2,685.57
3525 · Voyagers Fund	211.39	211.39
3530 · YARN Fund	208.24	208.24
3535 · Yew Grove Fund	13.75	19.58
3540 · Library Fund	433.61	450.59
3545 · Special Plate Fund	1,948.45	2,073.88
3550 · Minister's Discretionary Fund	2,983.33	2,968.33
3555 · Forum Fund	970.36	970.36
3560 · Worship Services Fund	1,000.00	1,000.00
3565 · Continuing Ed Fund	1,722.81	3,100.81
3570 · Living Our Mission Fund	0.00	0.00
Total 3400 · Board Restricted Funds	<u>136,648.24</u>	<u>135,070.25</u>
Total 3100 · Restricted Funds	606,311.66	601,704.01
3900 · Unrestricted Net Assets	76,729.01	77,079.82
Net Income	46,567.22	69,179.50
Total Equity	<u>3,038,537.89</u>	<u>3,056,893.33</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,050,887.21</u></u>	<u><u>3,069,926.09</u></u>

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Jun 30, 11</u>	<u>Jul 31, 11</u>	<u>Aug 31, 11</u>
ASSETS			
Current Assets			
Checking/Savings			
1000 · Cash & Investments			
1100 · Bank			
1110 · THCU Checking	55,907.16	29,459.05	28,222.42
1120 · THCU Savings	29.23	200.00	200.00
1130 · THCU Money Market	33,641.52	33,641.52	33,641.52
1140 · THCU CDs	55,585.12	55,585.12	55,585.12
Total 1100 · Bank	145,163.03	118,885.69	117,649.06
1200 · Schwab Accounts			
1210 · Permanent Endowment Account	129,820.33	126,994.71	117,837.76
1220 · Mixed Investment Account	414,201.44	413,593.46	393,480.78
1230 · Murr Music Account	41,538.17	41,104.42	39,454.64
Total 1200 · Schwab Accounts	585,559.94	581,692.59	550,773.18
1300 · Annuity 2014	11,283.28	11,283.28	11,283.28
1400 · Petty Cash			
1410 · Religious Ed PC 1	0.00	0.00	0.00
1430 · Religious Ed PC 2	0.00	0.00	0.00
Total 1400 · Petty Cash	0.00	0.00	0.00
Total 1000 · Cash & Investments	742,006.25	711,861.56	679,705.52
Total Checking/Savings	742,006.25	711,861.56	679,705.52
Accounts Receivable			
11000 · Accounts Receivable	0.00	0.00	0.00
Total Accounts Receivable	0.00	0.00	0.00
Total Current Assets	742,006.25	711,861.56	679,705.52
Fixed Assets			
1500 · Fixed Assets			
1510 · Building - at cost	672,232.75	672,232.75	672,232.75
1530 · Land - Travis CAD '11 Value	1,508,930.00	1,508,930.00	1,508,930.00
1540 · Furniture & Equipment	127,767.25	127,767.25	127,767.25
Total 1500 · Fixed Assets	2,308,930.00	2,308,930.00	2,308,930.00
Total Fixed Assets	2,308,930.00	2,308,930.00	2,308,930.00
TOTAL ASSETS	3,050,936.25	3,020,791.56	2,988,635.52
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
2000 · Liabilities			
2110 · Direct Deposit Liabilities	-9,750.01	0.00	0.00

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Jun 30, 11</u>	<u>Jul 31, 11</u>	<u>Aug 31, 11</u>
2200 · Security Deposits	80.00	80.00	80.00
2400 · Payroll Liabilities			
2401 · Fed W/H	0.00	0.00	0.00
2402 · Social Security	0.00	0.00	0.56
2403 · Medicare	0.00	0.00	0.00
2405 · Health Care Payable	11,971.99	12,997.15	13,724.31
2406 · Dental Payable	210.36	210.36	210.36
2400 · Payroll Liabilities - Other	1,453.85	1,453.85	1,453.85
Total 2400 · Payroll Liabilities	<u>13,636.20</u>	<u>14,661.36</u>	<u>15,389.08</u>
Total 2000 · Liabilities	<u>3,966.19</u>	<u>14,741.36</u>	<u>15,469.08</u>
Total Other Current Liabilities	<u>3,966.19</u>	<u>14,741.36</u>	<u>15,469.08</u>
Total Current Liabilities	<u>3,966.19</u>	<u>14,741.36</u>	<u>15,469.08</u>
Total Liabilities	3,966.19	14,741.36	15,469.08
Equity			
3001 · Fixed Assets - Equity	2,308,930.00	2,308,930.00	2,308,930.00
3100 · Restricted Funds			
3200 · Cong. Restricted Funds			
3220 · Permanent Endowment Fund	131,320.33	129,494.71	120,337.76
3240 · Savings Fund	286,007.52	284,199.19	264,086.51
3260 · Murr Music Fund	40,997.97	40,614.22	39,014.44
Total 3200 · Cong. Restricted Funds	<u>458,325.82</u>	<u>454,308.12</u>	<u>423,438.71</u>
3400 · Board Restricted Funds			
3405 · Long Range Fund	41,282.73	41,282.73	41,282.73
3406 · Bridge Builder Action Team Fund	1,558.28	1,558.28	1,558.28
3410 · Capital Campaign Fund	10,000.00	10,000.00	10,000.00
3415 · Paradox Players Fund	16,373.96	16,658.05	16,037.59
3420 · Religious Education Fund			
3421 · Chalice Circles	0.00	0.00	0.00
3422 · CampUU/Hogwarts Fund	13,918.53	12,928.76	6,533.27
3424 · Junior High Fund	2,879.90	2,796.65	2,796.65
3426 · Senior High Fund	4,022.10	3,938.85	2,898.21
3427 · Lecture Series Fund	368.43	368.43	368.43
3428 · Adult RE Fund	2,847.52	2,805.27	2,914.27
3429 · Children's RE Fund	853.21	743.50	425.50
Total 3420 · Religious Education Fund	<u>24,889.69</u>	<u>23,581.46</u>	<u>15,936.33</u>
3440 · Caring Fund	3,391.04	3,176.04	2,542.06
3450 · Music Fund			
3452 · Children's Choir Fund	3,733.52	3,733.52	3,733.52
3456 · Music Other Fund	2,899.14	2,899.14	2,899.14
Total 3450 · Music Fund	<u>6,632.66</u>	<u>6,632.66</u>	<u>6,632.66</u>
3460 · Bookstore Fund	1,078.68	947.28	1,066.28
3465 · Denominational Affairs Fund	70.02	70.02	70.02
3470 · Facility Fund			

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Jun 30, 11</u>	<u>Jul 31, 11</u>	<u>Aug 31, 11</u>
3472 · Emergency Fund	8,607.83	8,607.83	8,607.83
3474 · Green Sanctuary Fund	1,586.55	1,586.55	1,586.55
3476 · Recycling Program Fund	778.71	778.71	778.71
3478 · Grounds Fund	703.48	703.48	703.48
Total 3470 · Facility Fund	<u>11,676.57</u>	<u>11,676.57</u>	<u>11,676.57</u>
3480 · Flowers Fund	329.34	329.34	329.34
3490 · Technology Fund			
3492 · Internet Ministries Fund	1,822.67	1,822.67	1,822.67
3494 · Media Team Fund	876.98	876.98	876.98
Total 3490 · Technology Fund	<u>2,699.65</u>	<u>2,699.65</u>	<u>2,699.65</u>
3505 · Meet & Eat Fund	167.71	47.50	47.50
3515 · Social Action Fund	2,685.57	2,685.57	2,735.12
3525 · Voyagers Fund	211.39	211.39	211.39
3530 · YARN Fund	208.24	208.24	208.24
3535 · Yew Grove Fund	16.38	16.38	16.38
3540 · Library Fund	450.59	329.41	289.48
3545 · Special Plate Fund	2,466.50	1,858.75	2,079.50
3550 · Minister's Discretionary Fund	2,608.33	2,608.33	0.00
3555 · Forum Fund	970.36	970.36	970.36
3560 · Worship Services Fund	1,000.00	1,000.00	1,000.00
3565 · Continuing Ed Fund	1,745.81	2,392.81	2,392.81
3570 · Living Our Mission Fund	0.00	0.00	0.00
Total 3400 · Board Restricted Funds	<u>132,513.50</u>	<u>130,940.82</u>	<u>119,782.29</u>
Total 3100 · Restricted Funds	590,839.32	585,248.94	543,221.00
3900 · Unrestricted Net Assets	77,079.82	77,079.82	77,079.82
Net Income	70,120.92	34,791.44	43,935.62
Total Equity	<u>3,046,970.06</u>	<u>3,006,050.20</u>	<u>2,973,166.44</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,050,936.25</u></u>	<u><u>3,020,791.56</u></u>	<u><u>2,988,635.52</u></u>

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	Sep 30, 11	Oct 31, 11
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash & Investments		
1100 · Bank		
1110 · THCU Checking	7,093.23	33,246.87
1120 · THCU Savings	200.00	200.00
1130 · THCU Money Market	33,683.94	13,697.78
1140 · THCU CDs	55,734.65	55,734.65
Total 1100 · Bank	96,711.82	102,879.30
1200 · Schwab Accounts		
1210 · Permanent Endowment Account	105,574.14	119,008.12
1220 · Mixed Investment Account	367,497.85	398,276.10
1230 · Murr Music Account	37,493.57	40,008.59
Total 1200 · Schwab Accounts	510,565.56	557,292.81
1300 · Annuity 2014	11,283.28	11,757.16
1400 · Petty Cash		
1410 · Religious Ed PC 1	0.00	200.00
1430 · Religious Ed PC 2	0.00	1,000.00
Total 1400 · Petty Cash	0.00	1,200.00
Total 1000 · Cash & Investments	618,560.66	673,129.27
Total Checking/Savings	618,560.66	673,129.27
Accounts Receivable		
11000 · Accounts Receivable	0.00	0.00
Total Accounts Receivable	0.00	0.00
Total Current Assets	618,560.66	673,129.27
Fixed Assets		
1500 · Fixed Assets		
1510 · Building - at cost	672,232.75	672,232.75
1530 · Land - Travis CAD '11 Value	1,508,930.00	1,508,930.00
1540 · Furniture & Equipment	127,767.25	127,767.25
Total 1500 · Fixed Assets	2,308,930.00	2,308,930.00
Total Fixed Assets	2,308,930.00	2,308,930.00
TOTAL ASSETS	2,927,490.66	2,982,059.27
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2000 · Liabilities		
2110 · Direct Deposit Liabilities	0.00	0.00

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Sep 30, 11</u>	<u>Oct 31, 11</u>
2200 · Security Deposits	80.00	80.00
2400 · Payroll Liabilities		
2401 · Fed W/H	0.00	0.00
2402 · Social Security	0.56	0.56
2403 · Medicare	0.00	0.00
2405 · Health Care Payable	14,496.20	15,723.50
2406 · Dental Payable	234.70	277.62
2400 · Payroll Liabilities - Other	1,453.85	1,453.85
Total 2400 · Payroll Liabilities	<u>16,185.31</u>	<u>17,455.53</u>
Total 2000 · Liabilities	<u>16,265.31</u>	<u>17,535.53</u>
Total Other Current Liabilities	<u>16,265.31</u>	<u>17,535.53</u>
Total Current Liabilities	<u>16,265.31</u>	<u>17,535.53</u>
Total Liabilities	16,265.31	17,535.53
Equity		
3001 · Fixed Assets - Equity	2,308,930.00	2,308,930.00
3100 · Restricted Funds		
3200 · Cong. Restricted Funds		
3220 · Permanent Endowment Fund	108,074.14	121,508.12
3240 · Savings Fund	238,514.77	269,850.74
3260 · Murr Music Fund	37,103.37	39,618.39
Total 3200 · Cong. Restricted Funds	<u>383,692.28</u>	<u>430,977.25</u>
3400 · Board Restricted Funds		
3405 · Long Range Fund	41,282.73	41,282.73
3406 · Bridge Builder Action Team Fund	1,145.78	1,145.78
3410 · Capital Campaign Fund	10,000.00	10,000.00
3415 · Paradox Players Fund	13,889.21	15,019.11
3420 · Religious Education Fund		
3421 · Chalice Circles	0.00	0.00
3422 · CampUU/Hogwarts Fund	6,189.69	6,189.69
3424 · Junior High Fund	2,796.65	2,712.65
3426 · Senior High Fund	2,351.60	2,351.60
3427 · Lecture Series Fund	368.43	368.43
3428 · Adult RE Fund	2,741.27	3,386.27
3429 · Children's RE Fund	425.50	425.50
Total 3420 · Religious Education Fund	<u>14,873.14</u>	<u>15,434.14</u>
3440 · Caring Fund	2,031.07	1,816.07
3450 · Music Fund		
3452 · Children's Choir Fund	3,783.52	3,883.52
3456 · Music Other Fund	2,899.14	2,899.14
Total 3450 · Music Fund	<u>6,682.66</u>	<u>6,782.66</u>
3460 · Bookstore Fund	1,234.23	1,073.75
3465 · Denominational Affairs Fund	70.02	70.02
3470 · Facility Fund		

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Sep 30, 11</u>	<u>Oct 31, 11</u>
3472 · Emergency Fund	8,607.83	8,607.83
3474 · Green Sanctuary Fund	1,586.55	1,586.55
3476 · Recycling Program Fund	778.71	778.71
3478 · Grounds Fund	703.48	703.48
Total 3470 · Facility Fund	<u>11,676.57</u>	<u>11,676.57</u>
3480 · Flowers Fund	329.34	329.34
3490 · Technology Fund		
3492 · Internet Ministries Fund	1,822.67	1,822.67
3494 · Media Team Fund	876.98	1,176.98
Total 3490 · Technology Fund	<u>2,699.65</u>	<u>2,999.65</u>
3505 · Meet & Eat Fund	147.22	207.71
3515 · Social Action Fund	3,235.12	4,259.17
3525 · Voyagers Fund	211.39	211.39
3530 · YARN Fund	208.24	208.24
3535 · Yew Grove Fund	4.67	4.67
3540 · Library Fund	289.38	289.38
3545 · Special Plate Fund	1,192.50	232.10
3550 · Minister's Discretionary Fund	0.00	0.00
3555 · Forum Fund	970.36	970.36
3560 · Worship Services Fund	1,000.00	1,000.00
3565 · Continuing Ed Fund	2,392.81	2,392.81
3570 · Living Our Mission Fund	4,000.00	4,000.00
Total 3400 · Board Restricted Funds	<u>119,566.09</u>	<u>121,405.65</u>
Total 3100 · Restricted Funds	503,258.37	552,382.90
3900 · Unrestricted Net Assets	77,079.82	77,079.82
Net Income	21,957.16	26,131.02
Total Equity	<u>2,911,225.35</u>	<u>2,964,523.74</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,927,490.66</u></u>	<u><u>2,982,059.27</u></u>

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	Nov 30, 11	Dec 31, 11
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash & Investments		
1100 · Bank		
1110 · THCU Checking	31,317.01	4,350.06
1120 · THCU Savings	200.00	200.12
1130 · THCU Money Market	13,706.61	3,712.24
1140 · THCU CDs	55,734.65	55,870.72
Total 1100 · Bank	100,958.27	64,133.14
1200 · Schwab Accounts		
1210 · Permanent Endowment Account	118,149.24	117,431.85
1220 · Mixed Investment Account	398,158.54	403,681.05
1230 · Murr Music Account	39,466.67	39,807.73
Total 1200 · Schwab Accounts	555,774.45	560,920.63
1300 · Annuity 2014	11,757.16	11,757.16
1400 · Petty Cash		
1410 · Religious Ed PC 1	200.00	200.00
1430 · Religious Ed PC 2	1,000.00	1,000.00
Total 1400 · Petty Cash	1,200.00	1,200.00
Total 1000 · Cash & Investments	669,689.88	638,010.93
Total Checking/Savings	669,689.88	638,010.93
Accounts Receivable		
11000 · Accounts Receivable	0.00	0.00
Total Accounts Receivable	0.00	0.00
Total Current Assets	669,689.88	638,010.93
Fixed Assets		
1500 · Fixed Assets		
1510 · Building - at cost	672,232.75	672,232.75
1530 · Land - Travis CAD '11 Value	1,508,930.00	1,508,930.00
1540 · Furniture & Equipment	127,767.25	127,767.25
Total 1500 · Fixed Assets	2,308,930.00	2,308,930.00
Total Fixed Assets	2,308,930.00	2,308,930.00
TOTAL ASSETS	2,978,619.88	2,946,940.93
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2000 · Liabilities		
2110 · Direct Deposit Liabilities	0.00	0.00

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Nov 30, 11</u>	<u>Dec 31, 11</u>
2200 · Security Deposits	80.00	80.00
2400 · Payroll Liabilities		
2401 · Fed W/H	0.00	1,213.00
2402 · Social Security	0.56	1,223.86
2403 · Medicare	0.00	341.10
2405 · Health Care Payable	7,883.01	3,621.36
2406 · Dental Payable	210.36	0.00
2400 · Payroll Liabilities - Other	1,407.69	0.00
Total 2400 · Payroll Liabilities	<u>9,501.62</u>	<u>6,399.32</u>
Total 2000 · Liabilities	<u>9,581.62</u>	<u>6,479.32</u>
Total Other Current Liabilities	<u>9,581.62</u>	<u>6,479.32</u>
Total Current Liabilities	<u>9,581.62</u>	<u>6,479.32</u>
Total Liabilities	9,581.62	6,479.32
Equity		
3001 · Fixed Assets - Equity	2,308,930.00	2,308,930.00
3100 · Restricted Funds		
3200 · Cong. Restricted Funds		
3220 · Permanent Endowment Fund	120,649.24	119,931.85
3240 · Savings Fund	267,577.68	268,191.77
3260 · Murr Music Fund	39,126.47	39,517.53
Total 3200 · Cong. Restricted Funds	<u>427,353.39</u>	<u>427,641.15</u>
3400 · Board Restricted Funds		
3405 · Long Range Fund	40,165.36	40,015.36
3406 · Bridge Builder Action Team Fund	0.00	0.00
3410 · Capital Campaign Fund	10,000.00	10,200.00
3415 · Paradox Players Fund	17,035.35	13,173.40
3420 · Religious Education Fund		
3421 · Chalice Circles	0.00	210.00
3422 · CampUU/Hogwarts Fund	6,140.74	6,120.74
3424 · Junior High Fund	2,712.65	2,712.65
3426 · Senior High Fund	2,152.04	2,152.04
3427 · Lecture Series Fund	368.43	368.43
3428 · Adult RE Fund	3,158.85	2,658.85
3429 · Children's RE Fund	486.66	486.66
Total 3420 · Religious Education Fund	<u>15,019.37</u>	<u>14,709.37</u>
3440 · Caring Fund	1,601.07	3,540.24
3450 · Music Fund		
3452 · Children's Choir Fund	3,883.52	3,923.52
3456 · Music Other Fund	2,899.14	2,899.14
Total 3450 · Music Fund	<u>6,782.66</u>	<u>6,822.66</u>
3460 · Bookstore Fund	1,023.90	1,054.90
3465 · Denominational Affairs Fund	70.02	70.02
3470 · Facility Fund		

First Unitarian Universalist Church of Austin
Balance Sheet
As of December 31, 2011

	<u>Nov 30, 11</u>	<u>Dec 31, 11</u>
3472 · Emergency Fund	8,607.83	8,607.83
3474 · Green Sanctuary Fund	1,586.55	1,586.55
3476 · Recycling Program Fund	778.71	778.71
3478 · Grounds Fund	<u>703.48</u>	<u>703.48</u>
Total 3470 · Facility Fund	11,676.57	11,676.57
3480 · Flowers Fund	329.34	329.34
3490 · Technology Fund		
3492 · Internet Ministries Fund	1,822.67	1,822.67
3494 · Media Team Fund	<u>1,226.98</u>	<u>1,106.89</u>
Total 3490 · Technology Fund	3,049.65	2,929.56
3505 · Meet & Eat Fund	264.66	764.54
3515 · Social Action Fund	5,147.10	3,870.07
3525 · Voyagers Fund	211.39	211.39
3530 · YARN Fund	208.24	208.24
3535 · Yew Grove Fund	306.76	288.17
3540 · Library Fund	289.38	289.38
3545 · Special Plate Fund	0.00	1,592.30
3550 · Minister's Discretionary Fund	0.00	0.00
3555 · Forum Fund	970.36	875.82
3560 · Worship Services Fund	1,000.00	1,000.00
3565 · Continuing Ed Fund	2,392.81	2,392.81
3570 · Living Our Mission Fund	<u>4,000.00</u>	<u>4,000.00</u>
Total 3400 · Board Restricted Funds	<u>121,543.99</u>	<u>120,014.14</u>
Total 3100 · Restricted Funds	548,897.38	547,655.29
3900 · Unrestricted Net Assets	77,079.82	77,079.82
Net Income	<u>34,131.06</u>	<u>6,796.50</u>
Total Equity	<u>2,969,038.26</u>	<u>2,940,461.61</u>
TOTAL LIABILITIES & EQUITY	<u>2,978,619.88</u>	<u>2,946,940.93</u>



Awaken compassion. Transform lives. Bless the world.

February 26, 2012

Dear First UU Austin Board,

Thank you for the privilege and pleasure to join you again and to witness your good work in action. This report records a few of the observations and reflections that I shared at your February 21 board meeting and raises up a few others that may be helpful.

Balcony-level Observations & Reflections

Think of the healthy habits or practices of leadership evident in your preparations for and conduct of your board meeting:

- Complete and well-organized board packet sent out several days before the meeting. Know that the effectiveness of your work at board meetings is proportional to your preparation.
- Tight and well-focused agenda that dealt with the board's job.
- Attention to the spirit, to relationships, and to your high purpose:
 - Specifically your rituals of opening/closing and reading of board and leadership covenants, your pre-meeting dinner and ample snack break, your practice of gratitude in recognition of church volunteers and staff, your process observation, and the fact that over a year you share the duties in all of these.
 - Approach board work as your spiritual practice of leadership. This is the most valuable gift to the congregation and to yourselves of your new governance style and discipline – that it calls you to approach the work of trusteeship as an embodiment of your highest religious values and mission, rather than mere oversight of finances and staff operations.
 - By continuing to further cultivate this attention, I believe over time you will find that your oversight work will be both more effective and more meaningful. This difference will likely be more evident to those of you who served as board trustees or senior staff under systems that viewed the board's role as strictly financial/operational oversight.
- An attitude of ongoing learning about your practice of governance, and about the evolving landscape of church leadership and purpose. Your time set aside to study together a provocative or frame-bending resource (Durall's book) and your use of an outside consultant to occasionally observe your work and offer feedback is highly commendable.
- Your Board Skills / Expectations and Board Commitment documents included in your consent agenda are top notch. I will be recommending these to other

congregations. The only change I recommend is to add reading *Getting Started with Policy Governance* by Carolyn Oliver under the “Time Requirements” section (pg. 8 in your meeting packet). The Dan Hotchkiss book, which you have listed, offers a good reframing of governance philosophy for congregations, whereas Carolyn Oliver’s book is the most accessible introduction on the market to the principles and techniques of Carver-style Policy Governance[®]. Trustees on your board need to be well versed in the overarching messages of Hotchkiss’ book and the details of Oliver’s book.

All of these habits individually and taken together can be derived from a reasonable interpretation of your Governance Process policies. They represent the vitally important soft side of your governance practice, which unfortunately is not an intuitive inclination for most people recruited into church and nonprofit board leadership. To sustain and further develop the benefits of your governance practice you will need to intentionally recruit, train, and mentor new trustees year in and year out.

More Specific Observations & Reflections

1. Meeting & Board Preparation

- I love the coordinated organization of your agenda and board packet. I found them quite easy to follow as I prepared for and observed the meeting.
- Some board members seemed more prepared than others. This will be natural, of course, but try to be sure that the packet is out well enough in advance so that preparation time is not a limiting factor on the quality of your deliberations.

2. Monitoring Reports (comments touch on both the January interpretation of an Ends policy that was in the meeting packet for the Consent Agenda and the two Executive Limitations policy interpretations considered at the February meeting)

- For this early “Interpretation” phase of monitoring the reports should have two main objectives: A) Clarifying the executive’s reasonable operational interpretation of board policy, and B) identifying the nature and look of the data (indicators, measures, signs, stories) that will be used in future monitoring to verify either progress (on Ends) or compliance (on all other policies). A third objective, which you’ve already experienced is to identify where you may want to revise board policy.
- The January and February reports do a fairly good job of recording operational interpretations, but are spotty in describing the data that will be used to demonstrate progress or compliance. Where data/metrics are described in the January report on the “hospitality” End, they tend to be quantitative “indicators,” such as # of people attending or # of people served. This may be appropriate for the first round of Ends monitoring (first few years). Over time monitoring of this End should evolve and deepen through use of qualitative assessment to address verifiable changes in peoples lives as a result of First Austin’s hospitality. Regarding the February report on the financial limitations policies, a single financial report can be designed to demonstrate compliance with several of the Level 3 policies. Also, try especially for financial and HR

related policies to include a reasonable rationale for the proposed measures, including the standards for reasonable accounting and HR practices.

3. Monitoring Process

- I commend Meg and Sean for asking for clarification where they did not understand the meaning of certain policy words or phrases.
- Although I did not specifically sense this, as a board don't be afraid to question the reasonableness of the executive's interpretation. This collaborative process of monitoring is all about coming to mutual understanding of what you have determined is most important, and recording the essence of that understanding for the benefit of future boards.
- Most of the discussion was on what constitutes reasonable "material deviation" of actual allocations from the approved budget. Remember that just like anything else, your approval of these interpretations isn't cast in stone. In this instance, you can go with 10% deviation as reasonable for now, and see how that feels through the next year or two of financial monitoring.
- I encourage Meg to enroll other staff, as appropriate, in policy interpretation (particularly Ends), and in time to consider recruiting a 2- or 3-person "assessment team" to assist with interpretations and with identifying and assembling the data to demonstrate progress or compliance.

4. Meeting Agenda & Process – in addition to observations/reflections elsewhere in this report:

- Great use of the "Consent Agenda." I want to specifically commend the placement on the Consent Agenda and the content of the monthly operations report. I can imagine with time in your governance practice fewer of these details will seem useful to report and most of the numeric data might be fashioned into a "dashboard" of sorts.
- Similarly, good use of the "Moment with Meg." I perceive that you are carefully using this moment to give the board "heads-up" on events, incidents, or trends that are helpful to be aware of while avoiding opening the moment to the board getting into operational "weeds."
- Overall you did a good job in use of time. You rarely, if ever, went over time on a topic. On the contrary, you may have rushed through a few conversations when you actually had ample time to explore the matter further.
- Find opportunities to vary the style of discussion on different topics. For example I saw in the minutes of your January meeting that you broke into small groups for discussion of one matter. And, at the February meeting you used the "talking stick" method to hear equally from everyone regarding insights from the Durall book. Intentionally varying discussion technique should promote participation from all personality styles, and enhance the energy of a meeting.
- Keep in mind that good process is everyone's responsibility, not just a role for the chair and the designated process observer. Work on self-regulation.
- The measures of a good board meeting are the quality of the conversation (did it embody your highest values and mission?) and new insights gained. Make the most as board and senior staff of this precious time you devote to preparing for

and conducting board meetings. With more practice you should even be able to identify going into the meeting the nature of the insights you hope to gain. For instance:

- during this period when you're fielding the first round of policy interpretations, both board and staff should expect that each meeting will bring valuable insights into what your policies mean operationally and the nature and look of the data (indicators, measures, signs, stories) that will be used in future monitoring to verify either progress (on Ends) or compliance (on all other policies). In fact, because future boards may not devote as much time to discussing the reasonableness of interpretations and proposed metrics, you will want to record these insights so that your successors can benefit from them.
- your linkage preparations and reviews should be all about new insights for the board and/or staff; and
- any study you do of or with outside resources or experts, such as the Durall book, should lead to reflection on new insights into your values, ends, and/or the future for First Austin.

Respectfully submitted,

Joe

Joe Sullivan
Consultant
Unity Consulting
281-342-8133 home/office
jsullconsulting@gmail.com

Limitations Interpretation 2.6 – Asset Protection

First UU Church of Austin

March 20, 2012

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

Executive Operational Interpretation:

The Senior Minister has primary responsibility for the safety of church assets. Those assets must receive adequate protection. Although we cannot eliminate risk completely, the assets shall not be exposed to undue risk.

Measures (Indicators of Compliance):

Specific measures of this appear in the interpretations that follow.

Rationale:

This particular limitation serves as an umbrella for those that follow, which provide additional specificity. Any measures of this one, independent of the others, would prove redundant.

Accordingly, The Senior Minister Shall not:

2.6.1 Fail to insure against theft and casualty losses and against liability losses to Board members, staff, and the organization.

Executive Operational Interpretation:

We shall carry adequate insurance in order to protect the organization, board, and staff against both casualty losses and liability losses.

We understand “casualty loss” to mean a sudden, out of the ordinary loss such as a flood or fire. We will carry sufficient insurance coverage to cover full replacement cost.

We understand “liability loss” to mean legal responsibility for injury or harm to a third party or a third party’s belongings.

Measures (Indicators of Compliance):

Documentation that we hold an insurance policy that covers such losses.

Rationale:

This limitation deals with holding insurance. The only possible measure is whether or not we have such insurance.

2.6.2 Fail to seek professional, independent financial advice to guide investment decisions.

Executive Operational Interpretation:

We shall seek professional, third-party advice regarding church investments at least every three years. By third-party, we mean a non-church member and a professional advisor not affiliated with our broker.

As the UUA does with its endowment fund, and similar to the expenses for managing mutual funds, we will charge the costs of the professional advice to our investment funds (divided among them according to their size). We anticipate that those costs will amount to significantly less than 1% of the value of our invested funds.

Measures (Indicators of Compliance):

A written, dated copy of the professional's advice, documentation of that person's credentials, and comparison of the name against the membership list (voting list) shall serve as indicators. Indicators shall also include a comparison of our portfolio against comparable investments.

Rationale:

The written, dated advice confirms that we have received advice and when we received it. Documentation of credentials confirms the advisor's qualifications. A comparison of her name against the voting list confirms that she is not a member.

2.6.3 Fail to operate based on a clearly articulated investment plan, that may include mutual funds or Exchange Traded Funds (ETF), but that shall not include individual securities.

Executive Operational Interpretation:

We shall guide the church's investments according to a written investment plan.

The church's investment portfolio will not include individual securities. When we receive individual securities as a gift, we will sell them with all due haste (usually within a month).

Measures (Indicators of Compliance):

A copy of the written investment plan and of the investment portfolio will serve as indicators.

Rationale:

A comparison of the investment plan to the portfolio confirms that the plan exists, has been implemented, and that it does not include individual securities.

2.6.4 Allow un-bonded personnel access to material amounts of funds.

Executive Operational Interpretation:

Any staff with regular access to a material amount of funds shall be bonded.

For the purpose of this limitation, a material amount is \$500.

Measures (Indicators of Compliance):

A list of staff with regular access to a material amount of funds and a copy of the insurance policy that bonds them will serve as indicators.

Rationale:

The list plus the documentation of coverage confirm compliance.

2.6.5 Allow facilities, premises, and equipment to be subject to improper wear and tear or insufficient maintenance.

Executive Operational Interpretation:

We shall not allow the facility, grounds, or equipment to be used in ways that create unusual or undue wear and tear. We shall maintain the facility, grounds, and equipment in good, working order.

Measures (Indicators of Compliance):

To be determined. Measures will likely include such things as a regular safety inspection by our insurance company, rental policies and procedures that limit wear and tear and the like. During the following months we will consult with other churches to see how they measure compliance with this sort of limitation.

Rationale:

To be determined.

2.6.6 Fail to protect intellectual property, information, and files from loss or significant damage, or the lack of application of appropriate documentation and retention standards.

Executive Operational Interpretation:

We are not aware of the church having any significant intellectual property to protect at this time.

The church keeps certain sensitive information such as direct deposit data of staff, member credit card numbers, and the like. That information shall be kept securely both electronically and physically, as appropriate.

We interpret “appropriate documentation and retention standards” to mean that we shall have and implement a document-retention policy that follows best practices.

Measures (Indicators of Compliance):

In the case of intellectual property, we will use a passive indicator: the absence of any substantiated reports of the infringement of our copyright.

Regarding sensitive information, a copy of our document retention policy, written affirmation of compliance with the policy, and the absence of reports of data misuse will serve as indicators.

Rationale:

Active indicators of the protection of intellectual property could prove quite expensive and out of proportion to the likely risk and losses that an infringement of our copyright would create. A passive indicator, in this case, is sufficient to confirm compliance.

With sensitive information, the active indicators of policy plus implementation provide a good first layer of defense. The significant misuse or abuse of sensitive data would draw the attention of impacted church members and potentially legal authorities, providing a second layer of defense and indicator.

2.6.7 Fail to seek competitive bids when appropriate.

Executive Operational Interpretation:

We will shop around before committing large amounts of funds. (Presently, any new contract of over \$5,000 within one fiscal year, or \$10,000 over multiple years, requires at least two bids. Any renewal contract of over \$15,000 within one fiscal year, or \$50,000 cumulatively, requires at least two bids.)

Measures (Indicators of Compliance):

To be determined. During the following months we will consult with other churches to see how they measure compliance with this sort of limitation.

Rationale:

To be determined.

2.6.8 Receive, process, or disburse funds under insufficient controls.

Executive Operational Interpretation:

We shall have and execute fiscal controls in order to minimize the opportunity for the misappropriation of funds.

Measures (Indicators of Compliance):

A copy of our fiscal control process and written affirmation of compliance.

Rationale:

A copy of the fiscal control process confirms the existence of the controls. A written affirmation confirms compliance.

2.6.9 Maintain material amounts of church funds outside either federally insured accounts or investments made pursuant to the clearly articulated investment plan.

Executive Operational Interpretation:

We anticipate that the church's liquid assets shall be kept in three ways, and in all cases with appropriate safeguards. In the case of banks, we shall use FDIC-insured accounts. In the case of investments, those investments will be kept with a reputable broker and the investments made according to a written investment plan. Petty cash and undeposited funds shall be kept locked up. Undeposited funds will be deposited at least once weekly.

For the purpose of this limitation, "material amounts" means 1% of the annual budget.

Measures (Indicators of Compliance):

Reconciled financial reports, a copy of a recent bank statement, and documentation of the bank's FDIC status shall serve as indicators for assets in the bank. A copy of the investment plan, the reconciled financial reports, and a copy of a recent brokerage statement shall serve as indicators for assets in the bank. The financial reports will serve as an indicator of the amount of assets kept in petty cash. A written affirmation will indicate whether or not petty cash and undeposited funds are kept locked up.

Rationale:

The aforementioned indicators provide thorough documentation as to the whereabouts and safety of the vast majority of the church's liquid assets. Petty cash and undeposited funds only rarely exceed 1% of the annual budget, and even when they do they are kept safe.

2.6.10 Endanger the organization's public image or credibility.

Executive Operational Interpretation:

The church's reputation represents one of its most valuable, and most difficult to quantify, assets. We shall not engage in activities or practices that are likely to endanger it, as any negative impact to it could severely damage the organization's fiscal health and ability to fulfill its mission.

Measures (Indicators of Compliance):

In the short-term, we will use a passive indicator: the absence of any substantiated reports to the contrary will serve as an indicator.

Over the long-term, we will develop methods of measuring, on a regular basis, the church's reputation among both our members and our other stakeholders.

Rationale:

The meaningful measure of reputation, especially outside of membership, represents a

potentially large investment of time and money. The development and use of measures beyond the passive indicators will require a thoughtful development of tools that will allow us to do this without the cost to the organization exceeding the likely risk and likely consequences of non-compliance.

2.6.11 Fail to follow UUA guidelines for Socially Responsible Investing to ensure that our investments are reasonably consistent with our values.

Executive Operational Interpretation:

The church's investments will either be kept in the UUA's Common Endowment Fund or shall be kept in such a way that conforms with the UUA's SRI guidelines.

Measures (Indicators of Compliance):

We will use measures similar to those used by the UUA to measure its compliance. During the coming months we will research the specifics of their measures.

Rationale:

If the UUA is the standard of excellence for this limitation, then its measure on this should likewise be the most appropriate.

[Last updated by Sean Hale for Meg Barnhouse 3/1/12.]

We, the leadership of First UU Austin do covenant to:

Treat our time together as spiritual practice

Work collaboratively to clarify, assess and further our mission

Presume good faith in all our interactions

Publicly support one another's decisions and leadership

Address concerns directly with each other in a timely manner and encourage others in the church to do the same

Conduct ourselves openly and respectfully in times of agreement and disagreement

Enjoy each others good humor

Speak with one voice

And agree to be called back into covenant