

Compendium of Church Policies

First Unitarian

*A Unitarian Universalist Congregation
meeting in Albuquerque, Socorro, and Edgewood*



Albuquerque
3701 Carlisle Blvd. NE
Albuquerque, NM 87110
Phone: 505-884-1801
Fax: 505-884-6425
firstunitarian@uuabq.org
www.uuabq.org

East Mountains
3 George Court, #B
Edgewood, NM 87015
branches@uuabq.org

Socorro
Epiphany Episcopal Church
Socorro, NM 87801
branches@uuabq.org

Revisions

Individual policy revision or adoption date precedes each policy.

1. Added Gift policy April 2005.
2. Added Endowment Fund Policy August 2004.
3. Added Green Sanctuary Policy July 2005.
4. Added Staff Policies section and policies August 2005.
5. Modified Code of Ethics per core staff recommendations April 2005.
6. Contributions In Lieu of Pledge policy removed April 2005 per core staff recommendations.
7. Modified Funds Receipt Procedure per core staff recommendations April 2005
8. Modified Policies for Use of Church Facilities per core staff recommendations April 2005
9. Modified Policy for Vending Program on Church Premises per core staff recommendations April 2005
10. Modified Friend of the Church policy per core staff recommendations April 2005
11. Added category of Silver Member per core staff recommendations April 2005
12. "Definition of Capital Expense" and "Capital Improvements Budget" policies deleted as they pertained to TEFBOT only April 2005
13. Added Endowment Fund Distribution Policy April 2006
14. Added Endowment Fund Investment Policies and Guidelines April 2006.
15. Added Capital Reserve Account Policy adopted August 2004; added here May 2006.
16. Added "unexpended operating funds" policy May 11, 2006.
17. Trust and Endowment Fund Board of Trustees Policy Statement removed May 2006. This only pertained to TEFBOT and no longer applies.
18. Added paragraph #2 under Gift Policy September 2006.
19. Removed Banks-Curtis Fund section – September 2006.
20. Added Web Site policy and Policy on Congregational Resolutions – October 2006.
21. Modified the Associated Church Activities section of Policies for Use of Church Facilities to include Safe Congregation language pertaining to childcare. November 2006.
22. Added Confidentiality of Member Records and Donor Anonymity Policy. November 2006.
23. Added Facilities Council Policy. December 2006.
24. Added Transition Plan: Role of the Leadership Succession Committee. January 2007
25. Added Policy for joining groups April 2007.
26. Added responsible staffing guidelines for Care Committee volunteers September 2007.

- 27. Added language regarding childcare/babysitting to the Policies for Use of Church Facilities. October 2007.
- 28. Added language regarding childcare/babysitting to the Safe Congregations Policy. October 2007.
- 29. Added Alcohol Policy, Animal Policy, Internal Audit Policy, Record Retention Policy, and Adoption of New Fiscal Year Policy. April 2011.

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1. Procedure for Adopting Church Policies

Board Approved: September 10, 2002

a. Board Policies

Regular action. Proposed policies or changes in existing board policies shall normally be presented for adoption at two successive meetings of the board of directors. The initial consideration shall be for information purposes. Thereafter if the board agrees by majority vote to proceed with consideration, the proposed board policy shall be presented in substantially similar form at the next following meeting for final approval. If approved at that time by majority vote, it shall be considered adopted.

Emergency action. If the need for a new board policy or change in existing policies is regarded as urgent, the board member initiating the matter can request adoption on an emergency basis with only one reading. Thereafter if the proposed policy is approved by a three-fourths vote of attending board members, it will be considered duly adopted.

b. Program Team Policies

Regular action. Proposed Program Team policies or changes in existing Program Team policies shall normally be presented for adoption at two successive meetings of the Program Team. The initial consideration shall be for information purposes. Thereafter if the Program Team agrees by majority vote to proceed with consideration, the proposed Program Team policy shall be presented in substantially similar form at the next following meeting for final approval. If approved at that time by majority vote, it shall be considered adopted.

Emergency action. If the need for a new policy or change in existing policies is regarded as urgent, the Program Team member initiating the matter can request adoption on an emergency basis with only one reading. Thereafter if the proposed policy is approved by a three-fourths vote of attending Program Team members, it will be considered duly adopted.

c. Compendium of Church Policies

All board and Program Team policies shall be entered in a Compendium of Church Policies that the church office shall be maintain and provide to all board and Program Team members.

The board of directors and/or the Program Team may make suggestions regarding the other's policies, but final approval of board policies lies with the board, and final approval of Program Team policies lies with the Program Team. Additions and amendments to policies should be read in both the board and the Program Team for informational purposes.

In the event of a dispute, the board, by a three-fourths majority vote of those present, shall be the arbiter of whether a policy belongs with the Program Team or the board. In the event that the board decides that a Program Team policy is detrimental to the health and welfare of the church, the board by a three-fourths vote can veto the policy.

2. Code of Ethics

Revised by Core Staff; Board Approved: April 2005

Adults and older youth who are in leadership roles are in a position of stewardship and play a key role in fostering spiritual development of both individuals and the community. It is, therefore, especially important that those in leadership positions be well qualified to provide the special nurture, care, and support that will enable youth to develop a positive sense of self and a spirit of independence and responsibility. The relationship between young people and their leaders must be one of mutual respect if the positive potential is to be realized. There are no more important areas of growth than those of self-worth and the development of a healthy identity as a sexual being. Adults play a key role in assisting youth in these areas of growth. Wisdom dictates that youth suffer damaging effects when engaging in sexual, seductive, or erotic behavior with youth leaders. Neither shall youth leaders sexually harass or engage in behavior with children or youth that constitutes verbal, emotional, or physical abuse. Leaders shall be informed of the code of ethics and agree to it before assuming their role. In cases of violation of this code, appropriate action will be taken.

No minister, adult leader, childcare employee, church schoolteacher, or other person working under the auspices of the First Unitarian Church of Albuquerque shall engage in sexual seductive or erotic behavior with youth under age 18. Neither shall they harass or engage in behavior with youth that constitutes verbal, emotional, or physical abuse.

When any minister, adult leader, childcare employee, religious education teacher, or other person working under the auspices of First Unitarian Church has reason to suspect that a youth or child under 18 has been the victim of sexual abuse, physical abuse, or neglect, these suspicions shall be immediately reported. Childcare employees shall directly report their suspicions to the appropriate authorities or to the director of the childcare center. Religious Education teachers, adult leaders, and other responsible persons who suspect abuse of neglect shall immediately report their suspicions to a First Unitarian Church minister. It shall be the responsibility of the minister to investigate these suspicions, and in those cases where sufficient cause exists, the minister shall make appropriate reports to authorities as required by law.

An employee who is charged with a crime involving a minor should notify a First Unitarian Church minister of this fact, or they will be asked to resign their religious education responsibilities.

Reference: Code of Ethics for Persons Working with Youth in UUA-Sponsored Programming.

3. Policies for Using Church Facilities

Revised by Core Staff; Board Approved October 2007

a. Purpose

To establish the purposes and procedures governing the use and rental of church facilities.

b. General Principle

The primary uses of the church facilities are for church activities. Scheduling for these activities will take priority over other uses. There will be no charge for the use of the facilities for church activities.

c. Definitions

1) Church Activities

Church activities are events and activities that (a) are organized by church members and (b) where a majority of the participants are church members, (c) are accountable to some part of the church governing structure, and (d) promote the general welfare of the church and are in harmony with UUA principles. Examples of church activities include: Sunday morning worship; meetings of the board of directors, councils, committees, and task forces; religious education classes; the church choir; church parties and fundraisers; the Food Pantry; Wednesday Potluck; extended families; neighborhood (zip code) groups; and so on. Childcare is available for on-site church activities. Childcare must be arranged through the Religious Education office and must follow procedures (see "Childcare Procedures").

2) Associated Church Activities

Associated church activities are events and activities that (though they may have begun as church activities) have taken on a life of their own and become oriented to the general public with only a limited participation by church members. Once such an activity has exceeded 50 percent non-member participation, it will no longer be considered a church activity, and it will be expected to contribute to the cost of using the building. Groups such as Folk Dancing, Friday Painters, and the Network of Spiritual Progressives fall into this category. Because these activities constitute something between church activities and outside rentals, the core staff will assess charges. Usual charge is a minimum of \$1.00 per attendee. If these groups wish to offer childcare they must follow the church's Safe Congregation Policy and Childcare Policy and contact the Religious Education office before offering childcare.

Associated church groups must follow the same guidelines as renters; the Rental Guidelines form must be signed before room usage.

3) Church-Supported Activities

The church or church committees support (sponsor) these activities and “good causes.” They will be allowed free or reduced-fee use of the facilities. Requests for such free or reduced-fee usage will be submitted to the core staff for approval.

4) Rentals

Rentals constitute uses of the church facilities for a standard fee by persons or organizations that are unaffiliated with the church.

d. Policies Regarding Personal Use of Facilities for Member Ceremonies

In accordance with the church bylaws, a member is an individual who has signed the membership book and has made an identifiable contribution within the last 18 months. However, for the purpose of building use privileges, the contribution must be at least equal to the benefit being requested. (For example, a member who wishes to have a wedding in the Sanctuary must have contributed at least as much as the standard rental rate before receiving free use of the Sanctuary.) Subject to this stipulation:

- *Memorials.* Church members and their immediate families, spouses, or partner shall have free use of the sanctuary and Schulte-Cahalan Social Hall for memorial services. This does not include special setups or the services of a sound technician. Such services will be assessed at the regular rental rate.
- *Weddings and unions.* Members shall have free use of the sanctuary for weddings and unions. This does not include special setups or the services of a sound technician. Such services will be assessed at the regular rental rate.
- *Wedding and union receptions.* Members will be charged half of the normal rental price for use of the Schulte-Cahalan Social Hall for receptions.
- *Other ceremonies and special events.* Members may rent rooms, as available, at one half the standard rental price for ceremonies and special events, such as birthday parties, baby showers, or reunions. This does not include workshops, classes, seminars, concerts, and other events for which there would normally be a charge. Further, this privilege is for personal use, not for favorite causes or charities. Such requested usage should be referred to the core staff for consideration as a church-sponsored activity. Any extra setup, cleanup, or use of the sound system for ceremonies and special events will be assessed at regular rental cost.

e. Procedures

The church administrator, who can be reached during scheduled church office hours, administers facilities use and rentals. If there is a conflict in facility use or if the church administrator is uncertain under which definitional category a particular request fits, the matter will be referred for resolution to the core staff. Also, any requested exceptions or adjustments to either the rental fees or the above-stipulated limitations on free use of facilities shall be referred to the core staff.

All ongoing rentals or ongoing church-associated uses will have a “bump clause” as part of their contract so that the church can use the facilities for church activities or special events if needed.

Every effort will be made to provide at least four weeks' notice that space reserved for ongoing activities will not be available, but there may be cases when this is not possible.

The church administrator keeps a calendar of church activities, events, and ongoing meetings. Repetitive or ongoing usage should be reserved and/or updated at the beginning of the church's fiscal year, May 1. Any activity to take place on church property must be scheduled, no exceptions.

The core staff will establish a schedule of rental changes and make it available to potential facilities users. This may be revised from time to time.

1) Childcare Procedures

Trained childcare attendants, who have undergone a background check through our Religious Education office, conduct childcare on church premises. Associated church activities may bring in outside childcare through a childcare agency that conducts their own background checks, but the Religious Education office must be notified of the agency being used in advance. Due to our Safe Congregation Policy, two childcare workers need to be in the room at all times. The ratio of adults to children should not exceed 2:20 for children over the age of 5, 2:12 for children between the ages 2–4, and 2:6 for children under the age of 2. At least one parent or guardian must remain on campus while their child is being cared for.

When requesting childcare through the Religious Education office, arrangements must be made two weeks prior to the meeting/activity date. While the office will try to arrange childcare, there is no guarantee that childcare can be provided for every request. The approximate number and ages of children expected need to be included in the original childcare request so the appropriate number of childcare workers can be hired.

Childcare staff is not responsible for providing meals or snacks, so parents should provide snacks for their own children, or groups can arrange meals or snacks with specific allergy information kept in mind.

The Religious Education office pays for childcare for major church meetings and activities, such as teacher trainings, annual meetings, Religious Education-related events, and so on. The Religious Education office subsidizes childcare for smaller church activities, such as committee meetings, extended families, and task forces. For smaller church activities, groups are encouraged to pay a donation to help with costs. For associated church activities, groups are expected to cover the cost of childcare.

If a group arranges childcare and no children show up to the event within the first 30 minutes, the childcare staff is allowed to leave. The group who arranged the childcare will be billed for two hours of pay for each childcare staff hired for the event. Meetings must also end on time, as childcare staff are not required to stay later than the scheduled time.

f. Prioritizing

Use of the facilities for church activities (as defined above) shall have precedence over other uses, but this cannot be guaranteed unless such uses are scheduled with the church administrator well in advance. Similarly, church member usage is not an entitlement and is subject to availability. Every effort will be made to accommodate requests, but organizers of activities, members, and others should make every effort to schedule their requested usage well

in advance with the church administrator and with the understanding that conflicts cannot always be resolved to everyone's satisfaction.

4. Gift Policy

Board Approved: December 21, 2004

Gifts* to the Endowment Fund shall be approved and utilized in accordance with the operating rules of the Endowment Fund. Other gifts* shall be approved and utilized in accordance with the operating rules and procedures of the Finance Council.

This paragraph only: Board Approved: July 18, 2006

All undesignated bequests made to the First Unitarian Church of Albuquerque shall be received by the board of directors and directed to the Endowment Fund.

a. Finance Council Operating Rules and Procedures

1) Restricted Gifts*

“Restricted” gifts are those designated by the donor for a particular purpose or object. Restricted gifts of less than \$100 can be accepted by the staff and deposited in the “memorials” or other appropriate designated operating fund. If more than \$100 and less than \$1,000, the staff shall forward restricted gifts to the Finance Council for formal acceptance prior to being deposited in the “memorials” or other appropriate designated operating fund. Restricted gifts of more than \$1,000 shall be forwarded by the staff to the board for formal acceptance prior to being placed in the “memorials” fund or other appropriate designated operating fund. The staff shall keep proper records of all such gifts. The Finance Council shall monitor the use of all restricted gift monies to ensure that they are used in accordance with the wishes of the donor.

2) Unrestricted Gifts*

“Unrestricted” gifts are those that are not restricted by the donor to a particular purpose or object. If less than \$500, unrestricted gifts can be accepted by the staff and deposited in the “memorials” designated operating fund. If more than \$500, such gifts shall be forwarded by the staff to the Finance Council for formal approval and thereafter placed in the “memorials” fund or other appropriate designated operating fund. The Finance Council can request board consideration and approval of any such gifts when it considers it necessary or desirable. The staff shall keep proper records of all such gifts.

3) Sunday Service Non Pledge Plate-Contributions

Unrestricted plate contributions, of whatever size, which are received at Sunday Services or other official minister-led functions shall be accepted by the staff, placed in the Church Operating Account, and entered into the “non-pledge gifts” category of the Operating Budget for record keeping purposes.

4) Acknowledgement

The staff shall acknowledge receipt of all non-Endowment gifts* to the donor and provide a copy of the same to the Treasurer (Finance Council). In the case of “restricted” gifts, the acknowledgment shall reiterate the purpose for which the monies are granted.

5) Disbursement

In consultation with the Program Team and with the consent of the board, the Finance Council shall have the authority to disburse monies from the “memorials” designated operating fund and to oversee the disbursement from other designated operating funds.

**The word “gifts” when used throughout this statement of policy and procedures includes memorials, bequests, and donations.*

5. Capital Reserve Account

Board Approved: August 17, 2004

The church shall maintain a non-lapsing Capital Reserve Account. Funds put into this account shall be for repair, renovation, and renewal projects. Funds in the account shall be invested in a manner consistent with the church's investment policies for other designated operating funds. Sub-accounts may be created at the discretion of the Buildings and Grounds Committee and/or at the direction of the board. Expenditures from the Capital Reserve Account require the prior approval of the Buildings and Grounds Committee *and*, if expenditures for a particular project are likely to exceed \$5,000, the prior approval of the board. Funds in the Capital Reserve Account may not be transferred to the church's annual operating budget.

Board Approved: April 9, 2006

"Unless otherwise specified by the board of directors, unexpended operating funds remaining at the close of the church's fiscal year shall be divided equally into the Cash Reserve and the Capital Reserve accounts."

6. Endowment Fund Distribution Policy

Board Approved: December 20, 2005

The purposes of this policy are (a) to assure that donors' wishes are honored, (b) to preserve the value of donor's contributions, (c) to provide for an orderly budgeting process that is aligned with the church's regular budgeting cycle, and (d) to assure appropriate accounting and reporting procedures for Endowment Fund distributions.

a. Annual Distribution Amount

The Endowment Fund financial secretary and the church treasurer shall agree on the annual distribution amount and recommend this amount to the board for approval.

The annual distribution amount shall be a maximum of four percent (4%) of the trailing twelve-quarter average value of the Endowment Fund.

The annual distribution amount shall be calculated based on an average of the ending values of the Endowment Fund's trailing twelve calendar quarters.

The distributions shall preserve the real value of the Endowment Fund as of May 1, 2003, plus subsequent donors' contributions.

Real value is defined as the value of an amount adjusted for inflation.

b. Allocation of the Distribution

The distribution will be divided into three parts, in the following precedence:

- PART A Distributions (Restricted Subfunds):
 - Restricted subfunds are defined as field-of-interest funds, designated funds, and other funds that have a specific use designated by the donor.
 - Part A distributions shall be a prorated share of the total Endowment Fund's annual distribution calculated based on the value of the restricted fund as defined in section 1.
 - The prorated share is that proportion of the total value of the Endowment Fund that is attributable to each restricted subfund.
- PART B Distributions (Unrestricted Subfund—Board Discretion):
 - Part B distribution shall be a prorated share of the total Endowment Fund's annual distribution paid from the unrestricted portion.
 - The Part B distribution shall be less than or equal to 3 percent of the previous year First Unitarian Church of Albuquerque operating budget.
- PART C Distributions (Unrestricted Subfund—Distribution Subcommittee Discretion):
 - Part C distribution shall be the remaining distribution of the unrestricted distributions in excess of the 3 percent distribution in Part B above.
 - The Distribution Subcommittee shall review and recommend program funding requests.

- Program funding requests shall be funded from the Part C distributions.

c. **Funds Accounting and Reporting**

Expenditures and accounting procedures for all Endowment Funds will be handled through the church's financial management system.

The recipients of Part A and Part C distributions shall provide a report to the Endowment Fund Committee, which includes the benefits derived from those distributions and a summary of the expenditures to achieve those benefits.

d. **Schedule**

The amount of the annual distribution and its three sub-parts shall be calculated no later than 75 days before the beginning of the next fiscal year.

Preliminary program funding allocation recommendations for Part C are due no later than 50 days before the beginning of the next fiscal year.

Final program funding allocation recommendations for Part C are due no later than 21 days before the beginning of the next fiscal year.

1) Part C Program Funding Approval

The Part C distribution allocation is to be established and recommended to the board of directors as follows:

- The Endowment Fund Distribution Subcommittee shall allocate Part C funds in accordance with the policy and procedures of the Endowment Fund Committee.
- With Endowment Fund Committee review and approval, the recommendation shall be submitted to the board for final approval.

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2) Unencumbered Part A or Part C Distributions

The Endowment Fund Committee shall collaborate with committees and staff to determine how to allocate or budget remaining distribution amounts at the end of each fiscal year.

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7. Endowment Fund Investment Policies and Guidelines

Board Approved: August 17, 2004

Introduction

The First Unitarian Church of Albuquerque (hereinafter called the “church”) is a religious institution incorporated in the State of New Mexico. An elected board of directors (hereinafter called the “board”) governs the church.

The church’s Endowment Fund (hereinafter called “Fund”) consists of gifts, proceeds of trusts, endowments, or other funds assigned to the Fund by the board, which require long-term investment management. The assets of the Fund are invested for the benefit of the Congregation, and for the programs and activities of the church or external organizations, the missions of which are compatible with that of the church.

The Endowment Fund Committee shall manage the Fund.

The successful management of the Fund is vital to the current and future success of the church and its constituencies. The Endowment Fund Committee’s management of these funds is required by the bylaws of the First Unitarian Church of Albuquerque dated February 2, 2003.

Further, the bylaws state that the Endowment Fund Committee shall encourage and accept gifts to the Fund, ensure that such gifts are acknowledged, honored, and properly recorded for posterity. The Endowment Fund Committee is also responsible for reporting on Endowment Fund Committee activities to the board and the congregation. The Endowment Fund Committee is also responsible for recommending gift acceptance, investment, and distribution policies to the board for its approval. Further, the members of the Endowment Fund Committee are required to make prudent investment decisions in compliance with approved investment policies, recommend and oversee distributions from the Fund, and ensure appropriate checks and balances for the long-term maintenance of the Fund.

b. Definitions

Endowment

An endowment is a gift of money to an institution for a specific purpose that is invested to produce income while avoiding reduction of the real value of principal. (Source: Dorothy Reynolds.)

Income

Income is defined as interest, dividends, realized gains, and unrealized gains based on the Uniform Management of Institutional Funds Act.

An Illiquid Investment

An investment [is one] that is difficult to sell and often at a high cost. (Source: Foundations of Financial Markets and Institutions, Frank J. Fabozzi, et. al., 2002.)

An illiquid asset is one that may take longer than one year to convert to cash. (Source: Financial Accounting, Stickney and Weil, 2000.)

An [illiquid investment is an] asset that is difficult to convert to cash at a fair price and in a reasonable time frame. (Source: Corporate Finance, Ross, et al. 2002.)

Real Return

The nominal growth rate of an investment is the growth rate of the money in the investment. Inflation reduces the purchasing power of an investment. Thus the real growth rate of an investment is how much the purchasing power of that investment increases. (Source: Investments, Bodie, et al., 2002.)

c. Purpose of the Endowment Fund

In order to meet the requirements set forth in the bylaws, the Endowment Fund Committee seeks to improve diversification, oversight, and control in order to enable maximum efficiency of operations and to attract new gifts. Entrusted with the responsibility of meeting the changing needs of the church and other organizations that share its values, the management of the Fund shall reflect the following:

- A wide range of gifts is welcomed to create permanently endowed funds. Donors of all economic means are welcomed from all sectors of the community. We encourage all people, even those outside of the congregation, to contribute to the Fund if they feel so inclined.
- All endowed funds shall be invested to maintain or increase the real value of the principal over the long term regardless of distributions.
- Primary support for this mission is provided by income from the permanently endowed funds contributed by many individual donors and groups using the Fund to achieve their charitable goals effectively and efficiently. (See definitions for further details on income.)
- The assets of the Fund are invested in a manner that reflects the commitment of the members of the congregation of the church to express their goals and values through instruments that are considered to be socially responsible. (See Appendix A for details on socially responsible investing.)

d. Accountability to the Board of Directors

The board or the resident of the board may request investment reports for distribution to the Board. The board president may also request the chair or other member(s) of the Endowment Fund Committee to report directly at an assembled meeting of the board.

At a minimum, the Treasurer will report quarterly on the status of the Fund's investments to the board. If an additional board member is appointed to the Endowment Fund Committee, he or she may also report Endowment Fund Committee activities to the board.

e. Responsibility for Managing Investments

The Endowment Fund Committee has responsibility for the following with respect to investment policy:

- initiate, secure approval, interpret, and implement overall investment policy, including performance objectives
- oversee the asset allocation of the funds to ensure adherence to guidelines as specified under the Portfolio Composition section
- establish guidelines for rebalancing asset classes and allocations
- appoint one or more qualified investment managers, and delegate to such investment managers the responsibility for implementing investment policy
- hire an investment consultant, if desired, or terminate the services of an investment consultant
- utilize the guidelines established by the UUA's Committee on Socially Responsible Investing (CSRI)—see Appendix A—to develop standards and implement practices designed to achieve and maintain the church's leadership position in socially responsible investing
- review the performance of the investment manager(s) to assure that objectives are being met, and that guidelines and procedures are being followed
- take appropriate action if objectives are not being met and if guidelines and procedures are not being followed
- report investment results at least quarterly to the board and church congregation. The Endowment Fund Committee has the opportunity to report its contribution and investment results to the congregation via the *Messenger*. A quarterly report would also provide additional visibility among the members of the Congregation.
- report to the board as required in section III

This statement of investment policy shall be reviewed at least annually by the Endowment Fund Committee and then, with specific reference to any changes, shall be presented to the board for approval.

f. Investment Objectives

The investment objective of the Fund is to increase the asset base in order to maintain the real purchasing power of the endowment after distributions.

The Fund is designed to address several objectives:

- Risk reduction

To provide a prudent measure of safety from losses to the principal as well as to improve the potential for growth, the Endowment Fund Committee shall reduce risk through the diversification of its asset types.

- Rate of return on investment

The long-term (5–10 years) investment goal of the Endowment Fund Committee is to attain a targeted annual rate of return (net of investment management fees) that will allow a 4 percent distribution plus the rate of inflation plus fees plus a 1 percent growth rate. (The periodic inflation rate use shall be calculated based on the Consumer Price Index [Urban].)

- Socially responsible investing

Endowment assets shall be placed in investments considered to be socially responsible carrying a moderate level of risk. See Appendix A for more details on socially responsible investing.

- **Investment oversight and control**

To improve oversight and control, the Endowment Fund Committee will set clear expectations about the investment asset mix and criteria for investment manager selection. The Endowment Fund Committee and the investment advisor(s) will undertake periodic reviews and an annual in-depth review of the investment portfolio and the portfolio's performance.

- **Improve investment efficiency and clarity and ease of reporting**

The Endowment Fund Committee will enhance efficiency by reducing the number of investment advisors utilized and pooling the resources of the Funds to take advantage of economies of scale.

1) Portfolio Composition

To achieve the stated investment objectives, the Fund will be comprised primarily of fixed-income investments and equity investments.

The purpose of the equity investments is to provide a means to increase or at least maintain the purchasing power of the asset base of the Fund over the long term. It is recognized and acknowledged that equities assume the risk of short-term price volatility.

The purpose of the fixed-income investments (bonds, preferred stock, and cash equivalents) is to provide the cash flow to meet distributions, reduce volatility, and provide a deflation hedge.

An illiquid asset is to be given special and very careful consideration prior to inclusion in the portfolio. Liquidity is defined as the ability to convert the asset to cash within 90 days without causing a distress sale. (An independent appraiser must evaluate illiquid assets. This requirement will be specified in the church's "Gift Policy" and the Endowment Fund Committee's operating procedure.

The church's investment funds will be invested in a manner consistent with the UUA CSRI Guidelines (see Appendix A).

To maintain financial equilibrium, consistent with the total return as specified in section VII.C, the Endowment Fund Committee has set limits for each major asset class that may be exceeded only with prior written authorization by the Endowment Fund Committee. Classes and range limits are as follows:

- Equities 40-65 percent
- Fixed income 30-55 percent
- Cash 10-20 percent

2) Management of Investments

The assurance of proper management of the investments of the Fund shall be the ongoing responsibility of the Endowment Fund Committee.

Limited turnover of assets is expected.

Investment results, although monitored quarterly, will be evaluated annually, taking into account at least a five-year investment period. Comparative data shall be compiled to form the basis for long-term evaluations. The primary benchmark for evaluating annual total return is a balanced index composed of 55 percent Standard & Poor's 500 Stock Index, 35 percent Lehman

Brothers Intermediate Government/Corporate Bond Index, and 10 percent U.S. Treasury Bills. If there are other indices that are more appropriate measures in the estimation of the advisor, a change in indices shall be negotiated with the Endowment Fund Committee.

The following formula will be used to compute Annual Total Return for the purpose of evaluating the performance of the investment manager(s).

$$\frac{\text{Ending Market Value} - (\text{Beginning Market Value} - \text{Distributions} - \text{Fees} + \text{Contributions})}{\text{Beginning Market Value} + \frac{1}{2} \text{Contributions}}$$

- Market value includes additions through interest, dividends, realized gains, and unrealized gains to the Fund.
- Distributions include all payments from the Fund for the church, its program activities, and external program activities specified as restricted funds as well as expenses of the Fund.
- Fees charged to the Fund for the church's management, administration, transaction fees, and other investment expenses will be approved by the Endowment Fund Committee. This does *not* include expenses of the Endowment Fund Committee to raise funds, solicit contributions, publications, or other administrative expenses of the Endowment Fund Committee.
- Contributions include all assets provided to the fund for investment management over the period of measurement.

All endowed funds shall be invested to maintain or increase the real value of the principal over the long term regardless of distributions.

One or more investment managers may manage the Fund's assets at the Endowment Fund Committee's discretion.

3) Guidelines for Investments

Fixed-Income Investments

- The performance objective of the fixed income investments is to outperform the Lehman Aggregate Index (<http://www.lehman.com/fi/indices/index.htm>) (net of fees and commissions), as well as the appropriate fixed-income manager median and other indices that may be determined by the Endowment Fund Committee from time to time. Performance will be monitored on a regular basis and evaluated over three-, five-, and ten-year periods.
- Money market instruments, cash equivalents, bonds, and derivative investments (derivative investments shall not be made except for risk reduction as detailed in item VIII.D below) may be used. Fixed income managers are expected to employ active management techniques.
- Unless otherwise authorized by the Endowment Fund Committee, investment in notes and bonds will be only in securities that achieve a weighted average market rating of "A" or higher by Moody's, Standard & Poor's, or other rating agencies approved by the Endowment Fund Committee. In no event shall fixed investments be less than investment grade (BBB) at the time of purchase.

- Inasmuch as non-taxable investments are not suitable for religious not-for-profit institutions, issues of state or municipal agencies will not be purchased except when the risk and return characteristics are attractive versus taxable investments.
- In general, investments will be well diversified with respect to type of industry and issuer in order to minimize risk exposure. Obligations of the U.S. and Canadian governments and their federal agencies denominated in U.S. dollars may, however, be held without limitation, subject to asset allocation policy limits.
- There will be no concentration of corporate bonds in any one industry exceeding 20 percent of the bond portfolio, nor more than 10 percent in any one issuer. Industry classification of the economy will have no more than 20 nor fewer than 10 classes.
- Foreign bonds shall constitute no more than 10 percent of the bond portfolio unless approved by the Endowment Fund Committee.

Equity Investments

- The performance objective of the portfolio's equity investments is to outperform the Standard & Poor's 500 Stock Index (net of fees and commissions) or another appropriate benchmark measured for the type of investment over three-, five-, and ten-year periods with agreement from the Endowment Fund Committee. In addition, performance will be compared with the appropriate equity manager medians and other indices that may be determined by the Endowment Fund Committee from time to time.
- Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover, and other tools employed by active equity managers are left to the discretion of the equity manager, subject to the usual standards of fiduciary prudence and the Endowment Fund Committee's investment guidelines.
- Equity investments are limited to equities listed on the NYSE, AMEX, or NASDAQ national market and foreign exchanges of equivalent national stature (derivative investments shall not be made except as detailed in item VIII.D below).
- While investments will generally be in securities of large- to mid-size market capitalization, investment in smaller securities is permissible but will be limited to those with sufficient liquidity for the church to take or liquidate a position without significant market impact.
- The equity manager will limit equity investments in any one company and industry (for the total equity portfolio). The equity manager shall limit the amount of an equity security owned to no more than 10 percent of the church's total portfolio at the portfolio's market value. Each industry sector should be no more than two times (2 X) the sector's weighting in the equity benchmark to which the equity manager is compared. For purposes of this guideline, industry classification of the economy will have from 10 to 25 sectors. The Endowment Fund Committee will review portfolio turnover regularly.

Balanced Account

- When an investment manager manages fixed-income and equity securities in a balanced portfolio for the church, the overall objective of the account is to provide long-term total return at a reasonable level of risk.
- The fixed income segment and equity segment will be evaluated as stated in VIII.A. and VIII.B. above, respectively. Performance will be monitored on a quarterly basis but will be evaluated over three-, five-, and ten-year periods. While the balanced account manager may

invest in cash and cash equivalents in either segment, performance will be measured against the above-mentioned all-stock and all-bond benchmarks.

- The balanced account manager will shift the allocation among the equity, fixed income, and cash segments based on his or her perception of market valuation levels, future economic activity, and expected returns on these asset classes and within any limits set by the Endowment Fund Committee.
- The balanced account manager may invest in fixed income and equity securities as specified in sections VIII.A and VIII.B.

Asset allocation will follow these objectives:

- The benchmark is 60 percent equity, 40 percent fixed income plus cash and money market investments.
- To maintain financial equilibrium, consistent with the total return concept, the Endowment Fund Committee has set limits for each major asset class that may be exceeded only with prior authorization. Classes and range limits are as follows:
 - Equity investments: 40-65 percent
 - Fixed-income investments: 30-55 percent
 - Cash and cash equivalents: 10-20 percent
- The balanced account manager will shift the allocation between the equity and fixed-income segments based on its perception of market valuation levels, future economic activity, and expected returns on these asset classes. The balanced account manager may use investments in cash or cash reserves for defensive purposes.

General comments on investment manager guidelines:

- The church, through the Endowment Fund Committee, will direct the voting of all proxy statements. An investment manager shall provide advice to the Endowment Fund Committee if he or she has additional information regarding the securities for a vote.
- If at any time an investment manager believes that any policy guideline inhibits investment performance or causes the investment manager to handle the account differently from the accounts of the investment manager's other clients, this view will be communicated to the Endowment Fund Committee. Investment managers are required to inform the Endowment Fund Committee of any material change in their fundamental investment philosophy (including turnover rate), ownership, organization structure, professional personnel, or clientele structure.
- The investment manager shall have powers of investment discretion within the guidelines regarding prohibited assets and/or transactions. However, the following assets and/or transactions are prohibited, and these may not be changed without prior written approval of the Endowment Fund Committee:
 - commodities
 - lettered stock, private placements, and limited partnerships
 - selling uncovered calls
 - long positions in options
 - conditional sales contracts

- warrants (unless acquired when attached to purchased common stock or bonds)
- lease-backs
- Securities of the trustee or investment manager, its parent, or subsidiaries
- The investment manager shall not buy securities on margin, engage in the short sale of securities, or maintain a short position, unless at all times when a short position is open, the portfolio either owns an equal amount of such securities or owns securities that are convertible into or exchangeable for securities of the same and equal in amount.
- The investment manager shall not engage in any transaction where it acts as principal.
- The investment manager shall not deal with the assets of the portfolio in its own interest or for its own account.
- The investment manager shall not act in any capacity in any transaction involving the portfolio on behalf of a party (or represent a party) whose interests are adverse to the interests of the portfolio or the interests of the Investment Committee of the UUA.
- The investment manager shall not receive any compensation for its own account from any third party dealing with the portfolio in connection with a transaction involving assets of the portfolio.
- Equity-related derivative investments (that is, forward, futures, or options contracts) are not suitable for the church portfolios with the exception of covered-call options of appropriate quality, and contracts that relate to the reduction of the potential currency fluctuation impact for foreign stocks.
- Bond-related derivative investments (that is, forward, futures, or options contracts) are not suitable for the church portfolios with the exception of Bonds tied to a benchmark or permitted fixed-income security.

Appendix A: Socially Responsible Investing (SRI) Guidelines for the First Unitarian Church of Albuquerque—April 2004

Excerpted from the Unitarian Universalist Association policy dated April 19, 1997, and adapted to meet the needs of the First Unitarian Church of Albuquerque on April 11, 2004.

Aware of our obligation to be socially responsible in the management of the church's investments, we are guided by our church's mission covenant. Specifically the church shall invest with a commitment to "affirm and promote the inherent worth and dignity of every person" and to further our commitment to fully embrace and proactively step toward becoming an anti-oppression and anti-racism multicultural organization.

Socially responsible investing (SRI) is defined as a range of investment strategies: (1) screening, (2) community investment (support for those corporations that are good citizens), and (3) shareholder activism. Screening is defined as avoidance of corporations engaged in the production of undesirable goods {arms, tobacco, and so on}, avoidance of corporations guilty of bad environmental practices, and avoidance of corporations engaged in human exploitation in the form of sweat shop labor).

The SRI guidelines as set forth in this policy statement will be tempered by the requirements of fiduciary law and this investment policy, bearing in mind that the Endowment Fund Committee's main purpose in this regard is to benefit the church's programs and activities through investment, not advocacy, of individual causes. We are also mindful that an investment decision may have symbolic significance beyond the acts of purchase, retention, or sale of a particular security.

The Endowment Fund Committee shall invest with the understanding that its responsibility to provide economic growth of the Fund does not end with maximizing return and minimizing risk. The Endowment Fund Committee recognizes that economic growth may come at considerable cost to community and the environment. As such the Endowment Fund Committee will follow the principles below in its investment decisions:

- We believe that efforts to mitigate environmental degradation, address issues of social justice, and promote community development will be successful to the extent they are successfully brought into consideration as a part of our investment decision making.
- We recognize that addressing such concerns while pursuing financial objectives is an imperfect process. However, we believe that development of healthier corporate cultures, and through them a healthier, sustainable economy, depends on the recognition of these concerns by management, directors, employees, and investors.
- We believe that in light of the social, environmental, and economic challenges of our time, fiduciary responsibility in the coming decades will dictate the integration of prudent financial management practices with principles of environmental stewardship and corporate citizenship.
- We recognize that the character of investment opportunities change over time. As such, members of the Endowment Fund Committee and the investment manager(s) shall review the Socially Responsible Investing Restrictions list from the Unitarian Universalist Association Investment Guidelines prior to new investments and from time to time after an investment has been purchased.

Church investments shall be consistent with the principles above. Companies whose securities the church holds in its portfolios shall be assessed to determine that they meet the following criteria:

- They are not engaged in the manufacture of tobacco-based products.
- With respect to defense-related activities, they do not earn more than 5 percent of their revenues from the production and sale of weapons, or they are not listed as one of the top 100 military contractors.
- They are not firms that are identified by accredited socially responsible investment groups as behaving in a clearly blatant fashion with respect to ill treatment of employees or as being discriminatory in their employment practices.
- They are not firms that are identified by accredited socially responsible investment groups as behaving disrespectfully toward the environment.

Social responsibility concerns effect the church as they do every charitable, educational, or religious institution as to the manner in which invested assets are dealt with. In addition to selecting securities meeting the above criteria, the Endowment Fund Committee may:

- Promote social goals in a more direct fashion by investing in securities of enterprises specifically committed to social change. This approach could be executed, for example, by maintaining bank deposits or certificates of deposit in minority-controlled banks or community-development loan funds.
- Facilitate shareholder activities directed toward corporate social responsibility, thus improving the quality of an existing or a potential investment. Our intent is to ensure that members of the Endowment Fund Committee are aware that they may take action when alerted to the following potential opportunities:
 - The Endowment Fund Committee, on behalf of the church, will proactively exercise the congregation's commitment to these practices using as a guide information provided by the Interfaith Center on Corporate Responsibility, the Investor Research Responsibility Center, or other accredited socially responsible investment groups in the voting of proxies.
 - For example, the Endowment Fund Committee may vote the church's proxies in favor of environmental reform and reporting on environmental performance in annual reports or on requiring fuller reporting on equal employment opportunity and affirmative action policies. The Endowment Fund Committee could develop a shareholders' resolution in support of broader multicultural representation on boards of directors, with special focus on women and people of color.
 - There may be investments that should be held or sought from time to time by the church in an effort to provide an opportunity for dialogue between the church as a shareholder and the management of corporations whose products, services, and / or management policies are at variance with the ethical and social concerns of the church. The Endowment Fund Committee may take such action as it deems appropriate in this connection. Should the ministerial administration or the church's board of directors believe action of this nature is called for, the board may direct the Endowment Fund Committee to act accordingly.

The UUA's Web sites—Unitarian Universalist Association: Socially Responsible Investing (located at <http://www.uua.org/finance/sri/> as of April 11, 2004) and Socially Responsible Investing: A Process Guide for Unitarian Universalist Congregations (located at

<http://www.uua.org/finance/sri/justice/sriguide.html> as of April 11, 2004) —provide insight and guidance toward Socially Responsible Investing.

REFERENCE: “Investing for Justice, Socially Responsible Investments for Unitarian Universalist Congregations,” by David E. Provost and William J. Gardiner of the Unitarian Universalist Association.

The following supplement was taken from the UUA Web site: Unitarian Universalist Association: Socially Responsible Investing: Investing Resources (located at <http://www.uua.org/finance/sri/general/resources.html#invest> as of April 11, 2004).

Supplement: Organizations Providing Social Investment Research and Shareholder Activism

- AFL-CIO
Union Label & Service Trade Dept.
815 16th St., NW
Washington, DC 20006 617-423-6655
800-LABEL-91
<http://www.aflcio.org>

- Trillium Asset Management Corporation
711 Atlantic Avenue, 5th Fl.
Boston, MA 02111
617-423-6655

- Coalition For Environmentally Responsible Economies (CERES)
11 Arlington Street
Boston, MA 02116
617-247-0700

- Council on Economic Priorities
30 Irving Place
New York, NY 10003
800-822-6435, 212-420-1133

- Interfaith Center on Corporate Responsibility
475 Riverside Drive, Rm. 566
New York, NY 10115
212-870-2295

Specific publications:

- Business and Society Review
2513 Old Kings Highway North, Suite 107
Darien, CT 06820

- Business Ethics Magazine
617-247-0700 612-962-4700

- COOP America Quarterly
1612 K St., NW #600
Washington, DC 20006
800-584-7336
202-872-5307

- **Investor Responsibility Research Center (IRRC)**
1350 Connecticut Avenue, NW, Suite 700
Washington, D.C. 20036
202-833-0700
- **Kinder, Lydenberg, Domini & Co., (KLD)**
Russia Wharf
530 Atlantic Ave., 7th Floor
Boston, MA 02210
617-426-5270
- **The Proxy Monitor, Inc.**
Two Northfield Plaza, Suite 211
Northfield, IL 60093
847-501-3410
- **Social Investment Forum**
1612 K Street NW, Suite 650
Washington, DC 20006
202-872-5319

Appendix B: Socially Responsible Investing Restrictions on First Unitarian Church of Albuquerque Securities Holdings

The Unitarian Universalist Association maintains broad exclusionary investment screens that are designed to prohibit holding securities of companies engaged in the manufacture and distribution of tobacco-based products or in the production of weapons of war, despoiling the environment, and engaging in flagrant discrimination in hiring, promotion, and employment. Securities of firms on the restricted list should not be purchased or held, and if presently held should be divested as soon as the Endowment Fund Committee recognizes that the firm has been deemed to be socially irresponsible.

Prior to investing in any security, the investment managers will review a potential investment with respect to a social screen. The Endowment Fund Committee endorses the guidelines of the Unitarian Universalist Committee, which are found at the Web site titled: Unitarian Universalist Association: Socially Responsible Investing: Investment Screening (located at <http://www.uua.org/finance/sri/investing/screening.html> as of April 11, 2004).

The Endowment Fund Committee shall conduct quarterly reviews of the published UUA guide and compare the church's holdings to the guide.

Listed below are areas for evaluation regarding publicly traded companies prior to investment:

- weapons and weapons-related production
- tobacco holding companies
- employment practices
- tobacco
- environment

For comments or corrections on this investment policy, contact:

First Unitarian Church of Albuquerque
Endowment Fund Committee
3701 Carlisle Blvd. NE
Albuquerque, NM 87108 |
505-884-1801

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8. Banks-Curtis Scholarship Fund Policy

Board Approved October: 17, 1994

a. Purpose

To provide money to church youth for educational programs and activities that promote the better understanding of the Unitarian Universalist religion and principles. This fund specifically provides scholarships for youth educational programs that develop and sustain leadership skills, a better understanding of our Unitarian Universalist religion and principles, or an understanding of our social responsibilities and practice of actions that support the Unitarian Universalist purposes and principles and our church's mission.

b. General

These rules are required for managing and disbursing Banks-Curtis Scholarship funds. These rules can be modified by combined majority vote action of the board of directors and the Religious Education Committee. Funds shall only be disbursed in the form of scholarship awards. The fund shall not directly fund events. The fund shall not be used to replace funding for church-sponsored activities.

c. Selection Committee

The Selection Committee shall be formed of three or more designated members of the RE Committee, a minister, and the RE director. Designation of Selection Committee members shall be by RE Committee recommendation and church board approval.

1) Selection and Prioritization of Eligible Events

The Selection Committee sets priorities for use of the fund income, is responsible for maintaining a list of eligible events, and determines award limits. Eligible events must be church-, MDD-, or UUA-sponsored events that the RE Committee recognizes and endorses. (Examples of eligible events include activities held or run outside the church as in the case of youth conferences, retreats, or camps, and events held or run inside the church as in the case of special classes or gatherings.)

2) Youth Eligibility

Funds are available in the form of scholarships for qualified church youth who state a financial need in attending church-supported youth activities. Youth must be less than 19 years of age and enrolled in a school or equivalent program.

3) Selection of Award Recipients

The Selection Committee's guiding principle shall be to enable the widest possible participation in church-, MDD-, and UUA-recognized events. Selection shall be based solely upon prior RE participation, expressed level of interest, and demonstrated financial need.

In case of unavoidable conflicting priorities for the same award, the following further selection criteria shall be used:

- First to the youth who has never received a Banks-Curtis Scholarship award
- Second to the youth who has not attended the event or equivalent event in the past
- Third to the youth who is most active in the church RE program as measured through attendance in RE classes and RE-endorsed events

4) Application Procedure

The selection body shall establish and maintain a procedure for requesting and processing applications. At a minimum, requests must be made in writing, submitted to the selection body or delegated individuals four weeks prior to the event, and signed by the youth's parent or guardian. Applicants shall be notified in a timely fashion of the final status of their requests.

d. Establishment of Fund

This fund shall be created by combining:

- the Banks Memorial Fund with current assets totaling approximately \$2,000
- money donated to this fund between April 16 and December 31, 1994
- money donated from the Curtis Estate. The Curtis Estate will donate up to \$5,000 to match the original Banks Memorial fund and money donated before December 31, 1994

e. Maintenance and Growth of Fund

Funds shall be invested by the First Unitarian Church Trust and Endowment Fund board of trustees or equivalent successor body with investment policies that are identical to those of the First Unitarian Trust and Endowment Fund with the following additions:

- Fund investment strategy will be for income generation with maintenance of capital value and will pay all reasonable investment costs from its income.
- The fund will reinvest income until the time of disbursement or transfer to other church management accounts.
- All income generated by the fund beyond that required to maintain (or establish after investment loss) the fund capital value in constant dollar value shall be available to be disbursed as scholarship money.
- New money donated to the fund and unspent fund income specifically identified by both the First Unitarian Church Board of Directors and the RE Committee for reinvestment will be reinvested and treated as a new capital basis.

Fund value investment gains and donation totals shall be reported at least annually to the board of directors and the RE Committee. (Reports may be included with associated reports that this fund is invested with.) The most recent report shall be available to members of First Unitarian Church upon request. This fund is subject to church audits as specified in the church bylaws, and all information required for such audits shall be made available to the auditing committees.

f. Termination of Fund

In the event of the termination of this fund, all funds shall be transferred to a scholarship fund with similar purposes as this fund. Predecessor funds shall be chosen in first priority from this First Unitarian Church of Albuquerque, then its predecessor or covenanted churches, then Albuquerque area Unitarian Universalist churches, and finally the Unitarian Universalist Association.

9. Funds Receipt Procedure

Revised by Core Staff; Board Approved: April 2005

a. Purpose

To receive, safeguard, account for, and acknowledge all monies received by the church.

b. Definitions

1) Pledge

The assurance or promise of payment of an annual contribution.

2) Donation

A gift of money specifically designated to board-approved projects or to the operating budget.

3) Memorial

A donation in memory of deceased to board-approved projects or to the operating budget.

4) Bequests

From deceased estate or major gifts not placed in the operating fund but to board-approved projects. Undesignated bequests will require board disposition.

c. Procedure

The bookkeeper receives all funds and records them in the proper categories (see definitions above).

Acknowledge all gifts received by sending a thank-you card. The church administrator is responsible for this. The administrator must sign donations over \$500.00.

The Stewardship Committee will acknowledge pledges made during the annual stewardship campaign via a thank-you card.

A letter from the board president explaining the disposition of an undesignated contribution or bequest over \$1,000.00 will be sent to the donor or their heirs.

10. Policy on Preventing the Spread of Infectious Diseases in the Religious Education Program

Board Approved: April 17, 1995

a. Background

First Unitarian Church's RE program has developed a policy and guidelines on infectious diseases. This policy reflects our church's philosophy of respect for the worth and dignity of each individual. Given the irrational fears that some infectious diseases may produce, the most effective way to avoid unnecessary exposure and provide a safe environment in the church school setting is to learn how to prevent the spread of infectious diseases. Our RE program recognizes policy changes in accordance with new information and regulations.

b. General Guidelines

Since we may not always know who has an infectious disease, it is important that the RE staff and volunteers use universal precautions when caring for children.

Universal precautions will be reviewed annually during the fall teacher training under discussion of "nuts and bolts" issues. Staff and volunteers will be asked to sign a release that they received a copy of this policy and received training in universal precautions. A record of those who signed this release will be kept. The record and this policy on preventing the spread of infectious diseases will be made available to the parents of children enrolled in the RE program.

Procedures related to personal hygiene:

- Implement a proper hand-washing technique: Apply soap with ten seconds of friction and then rinse with running water.
- Wear disposable gloves when touching blood or other body fluids. Change gloves after contact with each child.

Procedures related to food handling:

- RE staff, volunteers, and children will wash their hands before preparing or serving food, and before eating meals or snacks.
- Surfaces used for food preparation and serving will be cleaned.

Procedures related to toilet use and diaper changing:

- RE staff, volunteers, and children will wash their hands after using the toilet, changing diapers, assisting a child with toilet use, or coming into contact with blood, urine, or fecal material.

Procedures related to cleaning:

- Surfaces soiled with urine, blood, or fecal material will be cleaned with a 10 percent bleach/water solution.
- Soiled materials (gloves, paper towels, tissues, and so on) will be placed in a readily identifiable bag for disposal.

The following is a list of precautions.

- Children who have an infectious disease that can be communicated to others should be kept at home.
- When a child becomes ill, the child will be kept separated from the other children, and parent(s) will be called to come and take the child home.
- The child may return to church school when the illness has passed.

Confidentiality is often a medical and legal requirement. Only RE staff and volunteer personnel who have a need to know will be informed of a child's specific health condition. Children will be informed in more general terms.

The child's parents will notify the church if the child has attended church school while having an infectious illness. The church will then inform parents of other children in that class so they can watch for potential symptoms.

First Unitarian will not employ a person whose health or conduct impairs the person's ability to properly protect the children's health, safety, and welfare.

11. Safe Congregation Policy

Revised and Board Approved: October 2007

a. Purpose

The programs at First Unitarian Church are run in such a way as to honor the worth and dignity of every individual who participates and to give individuals an opportunity to express their opinions, feelings, and talents within a caring community. It is expected that these two values will occasionally come in conflict. When they do, they will be managed in the following ways.

b. Definitions

1) Children

Under the age of 14.

2) Youth

Between the ages of 14 and 20.

3) Two Trained Supervisors

When working with children, one supervisor must be over the age of 18, and the other supervisor will be at least 14. When working with youth, one supervisor must be over the age of 25, and the other supervisor will be at least 21.

c. Procedures: General Congregation

1) Unambiguous Issues of Abuse

The programs at First Unitarian Church are run in such a way as to minimize the possibility that vulnerable persons will experience physical, sexual, verbal, or emotional abuse at the hands of other members, staff, or ministers.

Any situation that a church member, group leader, minister, or staff person believes constitutes physical, sexual, verbal, or emotional abuse should be called to the attention of a minister, member of the Committee on Ministry, or board member. Any of these persons is authorized by the congregation to put an immediate stop to the situation. If illegal activity is occurring, these persons are further authorized to notify the proper authorities. These events should be documented. If the pattern of abuse persists, the matter should be brought before the Health Community Team. If resolution is not reached, the matter should be brought before the board for action as soon as possible.

2) Ambiguous Issues of Abuse

These are situations in which the issue is not abuse but discomfort, fear, dislike, inappropriate behavior, or damage to group processes and relationships. Our guiding principal in this matter is that the inherent worth and dignity of every person be respected. This will ensure that concerns for safety will be taken seriously and due process for all involved will be observed.

Should an individual or group feel victimized by one or more members of the congregation, they should first discuss their feelings with the other party(s) to see if a resolution is possible.

In the event that, for whatever reason, one of the parties does not feel able to directly address the other person, a third party should be asked to mediate. The first choice should be the group leader; if both people in conflict are part of the same group, the minister or another person who feels comfortable addressing the issue may be chosen. The church office may be able to assist in finding someone. This mediator should be certain that both sides of the conflict be heard.

Should informal mediation not resolve the issue, the Committee on Ministry should hear the parties. The person mediating in Step 2 should be included in this meeting, as well as any relevant experts (if needed) on the issues being resolved. If necessary, outside advice can be sought if something unexpected comes up (for example, mental health issues or substance abuse). The mediator should document the meeting in some manner. A formal, written agreement should be drawn up at the end of this meeting with the clear understanding among all parties involved that violation of this agreement will require further action on the part of the church.

As a last resort, if the agreement drawn up in Step 3 is violated, the matter will be brought to the attention of the board of directors. The board, as the church's legal entity, may choose to enforce the provisions of the agreement of resolution by canceling the membership of one or more of the parties involved, pursuing legal action, or taking other action as they see fit.

If at any point the ambiguous behavior escalates into the realm of the unambiguously abusive or illegal behavior, it must be treated as described in section 1a.

d. Additional Policies for Ministers, Staff, and Volunteers.

1) Ministers

Ministers have agreed to adhere to the UUMA guidelines for ethics in all dealings with church members, volunteers, and staff. In unambiguous cases of abuse, the board is required to notify the UUA's Ministerial Fellowship Committee (see attached "Complaint Procedures for Ministerial Misconduct").

In ambiguous situations, the matter should be brought before the Committee on Ministry for mediation. If the situation is not resolved and/or escalates, the Committee on Ministry should bring the matter to the board for immediate consideration. If the board is unable to resolve the matter, it should be taken to the district and/or congregation.

2) Staff and Volunteers

Staff persons and volunteers should be called to task by their supervisor, the Administrative Council, or the board.

If the conflict is of a personal rather than a professional nature, it may be brought before the Committee on Ministry provided that both parties agree to such arbitration. In these cases this is possible even if the staff member is not a member of the Congregation. If no resolution is reached, or if arbitration is refused, the Committee on Ministry should bring the matter to the Administrative Council.

e. Additional Policies for Religious Education

Persons working with children and youth have a high level of responsibility for their own conduct and for vigilance in the protection of those in their care. All regular childcare staff and volunteers will be trained in appropriate classroom management and child safety and will undergo a background check. Children's activities and classes will have two trained supervisors in the room at all times. Parents must be informed in advance about the process and content of any educational material (that is, sex education and death education) that is likely to distress children. All youth advisors will be asked to sign the UUA's Youth Advisor Responsibility Notice.

The RE director has the right to ask any adult to withdraw from contact with children or youth if they deem it necessary for the safety of the children or church. Sexual or sexualized relationships between children or youth and adults are deemed inappropriate under all circumstances. Additional guidelines can be found in the Compendium of Church Policies under the title "Code of Ethics for Youth Program Leaders." The Director of Religious Education may set additional policies within the above general guidelines.

12. Policy for Vending Program on Church Premises

Revised by Core Staff; Board Approved: April 2005

a. Purpose

To create a procedure for review and approval of selling activities on church property.

b. General Principles

Most sales of merchandise or services on church property shall be conducted for the purpose of fund raising to support the church, its activities, or programs and are to be approved by the board of directors.

c. Guidelines

Respect the atmosphere, grounds, structures and functions of the church.

Minimize the burden on the staff in operating the fundraiser.

Church policies concerning the *Messenger* and Sunday announcements strictly apply.

Vendor shall be subject to guidelines as recommended by the responsible committee and/or council.

d. Procedure

Proposals for new vending programs are to be submitted to the Program Team for approval. After approval is given, there should be a discussion with the bookkeeper as to how keep track of monies collected and their allocation (refer to the second guideline above).

Proposals will include:

- the nature of items to be sold and the church program to be supported
- the suggested price and the percentage of the selling price to be designated for the church
- the program's planned time frame, be it a single, recurring, or ongoing event
- planned publicity if any

The vendor shall submit an itemized monthly statement to the church treasurer or a single statement if the vending program runs less than a month. This statement shall include the vendor's pre-agreed payment to the church.

e. Exceptions

Nonprofit groups under the auspices of the Social Justice Council that are fund raising for their own programs. It is the Social Justice Council's responsibility to oversee such vending and inform the participants of the guidelines.

Sunday program musicians/performers. The Music Director or worship leader is responsible for informing the participants of the guidelines.

Individual youths selling items for fundraisers with permission from the church administrator. The youth need to be present at the table at all times; they may not walk through any church buildings or grounds to sell their product.

Youth group events such as bake sales. The Director of Religious Education is responsible for informing such groups of the guidelines.

f. Location

Approved sales shall be in the social hall or courtyard.

There shall be no sales in the sanctuary except for sales approved by the board.

13. Friend of the Church

Revised by Core Staff; Board Approved: April 2005

a. Purpose

To create a new category of relationship within the church, and set forth the obligations and services that accrue.

b. Definition

A “friend of the church” is:

- a non-member spouse/partner of a member who has approved being listed in the church directory
- a non-member who has contributed more money to the church than the subscription price of the *Messenger*
- a non-member who has stated a wish to be a “friend”

c. Obligations and Benefits

A friend will incur the following obligations and benefits:

- will be contacted annually during the canvass/pledge season
- will receive the *Messenger*, but not the *UU World*
- will be listed in the church directory
- will be welcome to participate in all other church activities and committees
- may receive ministerial services

c. Status

These people will be designated as “friend” in the church database, but will *not* be counted on the church’s membership rolls.

14. Silver Member

Proposed by Core Staff; Board Approved: April 2005

a. Purpose

To create a new category of relationship within the church, and set forth the obligations and services that accrue.

b. Definition

A “silver member” is a member of long standing whose income or health does not allow them to fully participate in church membership. These people will be designated as “Member, Silver” in the church database

c. Obligations and Benefits

A silver member will incur the following obligations and benefits:

- will not be contacted annually during the canvass/pledge season
- will not receive the *Messenger* or the *UU World*
- will not be counted on the church’s membership rolls
- will be listed in the church directory
- may receive ministerial services and a memorial service

d. Procedure

When a member is identified as falling into this category, the core staff makes the decisions to give them “silver member” status. The bookkeeper is responsible for updating the database.

15. Green Sanctuary Policy Statement for First Unitarian Church

Board Approved: July 19, 2005

Our church is committed to maintaining our status as a green sanctuary, a program adopted by the congregation in April 2002. Therefore the board will take ecological impact into account when making decisions and will encourage church staff, committees, and the congregation to do the same.

16. Web Site Policy

Board Approved: September 19, 2006

a. Purpose

The First Unitarian Church of Albuquerque's Web site (www.uuabq.org) exists to serve the many communities of which the church is a part, including:

- new and current members of the church
- church volunteers, including committee members, lay leadership, and children's ministry leaders
- the church staff
- people in the greater Albuquerque community seeking information about Unitarian Universalism and First Unitarian Church
- other UU churches in the Mountain Desert District and beyond
- visitors to Albuquerque looking to attend a Unitarian Universalist congregation
- members of the community who are seeking a location to conduct a wedding, funeral, memorial service, or other group event
- attendees at events held at First Unitarian Church

b. General Principles

In service to these many communities, parts of the church Web site will be available to the public. Other parts of the Web site will be accessible through restricted access.

- The church administrator is responsible for maintaining the church Web site, delegating as necessary. Requests for postings should be submitted to the church office.
- The entire Web site should be reviewed once a year, beginning in May 2007.
- Staff members and certain committee chairs will be responsible for maintaining particular pages, a list of which is kept by the administrator.
- Page formatting (colors, typeface, page layout) is set and can only be changed by application to the administrator.
- Only the administrator can post pictures to the Web site. (This Web site is not designed for the display of snap shots.) All identifiable persons in pictures must have given written permission for their pictures to be used. No identifiable children's pictures will be used.
- The only addresses, phone numbers, or e-mail addresses posted on the Web site will be the church's. Individuals who wish to be contactable from the Web site will be assigned church e-mail addresses and messages will be forwarded to them.

17. Policy on Congregational Resolutions

Congregational Resolutions to take a stand on issues of social or political matters (against a war, for a social change, and so on) must be approved by a margin of 80 percent at a congregational meeting at which there is a quorum of at least 30 percent of the congregation. This resolution process upholds our commitment to our 5th Principle—the right of conscience and the use of the democratic process. As such, any congregational resolution represents the view of a collective of members and does not preclude any individual member’s right of conscience.

Any resolution adopted by the congregation through the use of this policy must include this preamble: “This resolution was passed by a vote of x to y at a legal meeting of the congregation.” Only resolutions that are part of a larger action plan that includes a set of actions and activities (letter-writing campaigns, marches, teach-ins, community organizing, and so on) can be considered.

No more than two resolutions may be in process at any one time.

Required steps:

1. Meet with the Social Justice Council, which must approve the resolution by an 80 percent vote of the council members in attendance at a meeting of the council that includes the resolution as part of their announced agenda. The council must agree to assist with the action plan of which the resolution is a part.
2. Meet with the called ministers to discuss the process and the wording of the resolution.
3. The action plan of which the resolution constitutes only one part must include actions and activities that will be undertaken before the resolution is put on a congregational meeting agenda.
4. Publicize and hold at least two congregation-wide hearings to refine wording and get a sense of the likelihood of passage.
5. Meet with the board, which must approve putting the resolution on the agenda of a congregational meeting by a margin of 80 percent of all the church’s current board members in attendance.
6. At a congregational meeting* where a congregational resolution is on the agenda, a quorum of at least 30 percent of the church membership must be present for the vote to occur. Passage of the resolution requires an 80 percent or more “yes” vote.

The board may waive any parts of steps 1 to 5 if the matter is of immediate urgency and there is clear reason to move more quickly (because many Albuquerque churches are taking a similar stand, for instance).

*All congregational meetings shall meet the notice requirements as defined in the bylaws of the First Unitarian Church of Albuquerque.

18. Confidentiality of Member Records and Donor Anonymity Policy

Board Approved: November 21, 2006

a. Purpose

The First Unitarian Church of Albuquerque recognizes that the church's efficient operation requires maintaining and managing extensive member records. These records often contain sensitive information that has been shared with or developed by the church staff on a confidential basis. To safeguard the church's integrity, the church subscribes to specific policies on confidentiality.

Additionally, some donors to the church may desire temporary or permanent anonymity. The purpose of this policy is to state the church's position on anonymity and donor records. "Records" means all files, including electronic data, containing information on donors or prospective donors to the church's funds or endowment.

b. Confidentiality of Records

The church administrator shall be responsible for maintaining the confidentiality of member records. To carry out its responsibilities, the board of directors, [the Stewardship Committee](#), and [church staff](#) may ~~also need to~~ review donor/prospect records [as needed](#). All board members shall respect the church's significant interest in protecting the sensitive nature of those records. Board members, committee members, and staff should not engage in private discussion of church matters (except when engaged in the business of the church):

- The positions or statements of individual board members, Committee members, and staff should not be discussed outside of official church meetings and processes.
- Content of church business, including analysis of documents, should not be discussed or shared outside official meetings and processes.

The church's board of directors and its employees have an ethical and legal obligation to respect the privacy of its members, and to protect and maintain the confidentiality of all information about members, their family members, and friends in the course of providing services to them. Member records are legally protected confidential records and must be treated as such.

c. Publication of Donor Names

Unless otherwise requested by the donor, the names of all individual donors may be listed in the church's annual report and/or in other appropriate vehicles. The church will not publish the amount of any donor's gift without the donor's permission. Donors making gifts to the church by bequest or other testamentary device are deemed to have granted such permission.

d. Honor and Memorial Gifts

The names of donors of memorial or honor gifts may be released to the honoree, next of kin, or appropriate member of the immediate family, unless otherwise specified by the donor. Gift amounts are not to be released without the donor's express consent.

e. Anonymous Gifts

The church administrator and ministers are authorized to accept anonymous gifts to the church. In the event that the administrator is uncertain about the desirability of accepting an anonymous gift, he/she shall consult with the Executive Committee.

Appendix C: Confidentiality Agreement—Board of Directors and Stewardship Committee

This Confidentiality Agreement is effective as of _____, 2006, between _____ (“the Undersigned”) and the First Unitarian Church of Albuquerque.

From time to time board members may attend board meetings or other official meetings where sensitive and confidential information may be discussed. This Confidentiality Agreement establishes an agreement between the above-mentioned parties that any information discussed, heard, or transcribed will not be released, discussed, or shared in any manner with any individual outside the immediate current church board members, current ministers, or current church administrator.

Therefore, I shall respect the church’s privacy concerns, and I shall hold in confidence all information obtained in the course of my service to the church, whether that information is obtained through written records or daily interaction with said persons or organizations. Therefore, I will not disclose the church’s confidences to anyone outside of this organization, except as mandated by law to prevent a clear and immediate danger to a person or where I am compelled to do so by a court or pursuant to the rule of a court.

I shall store or dispose of professional records in ways that maintain confidentiality.

I shall possess an attitude that upholds confidentiality toward the church members, colleagues, board members, and any sensitive situation arising within the church.

I shall maintain confidential any such information.

Board member, Stewardship Committee member

Date

Name (signature)

19. Buildings and Grounds Committee Policy

Board Approved: October 17, 2006

a. Purpose

To define the Buildings and Grounds Committee's responsibilities.

b. General Principle

The Buildings and Grounds Committee and the staff, most notably the Facilities Manager (and those he or she reports to), share the responsibility for maintaining and improving the facilities and grounds of the First Unitarian Church of Albuquerque. The Buildings and Grounds Committee is part of the church's lay leadership and as such has the responsibility of exercising general oversight over the upkeep and use of the church facilities and grounds. The congregation hires the staff to perform the ongoing duties of operations and maintenance to facilitate the fullest and best use of the church buildings and grounds. Appropriately there should be a sizeable delegation of authority to the staff to act when and as needed. Consistent with this, there is a relatively small sphere of actions/activities that require formal Buildings and Grounds Committee authorization, namely:

- proposals to remodel or to make structural changes in any of the church's physical facilities
- proposals to utilize the Capital Reserve Fund for any expenses related to the church facilities or grounds
- proposals to repair or make any unbudgeted improvements or changes in church facilities where the anticipated cost will be more than \$1,000
- proposals to repair or make any unbudgeted improvements or changes in the church grounds, including the irrigation system, where the anticipated cost will be more than \$1,000
- any other matters that the Facilities Manager wishes to bring to the Buildings and Grounds Committee for formal approval or for funding

A favorable vote by a majority of those present at a monthly or specially called meeting of the Buildings and Grounds Committee shall constitute authorization. In the event of an emergency, Buildings and Grounds Committee authorization may also be attained by e-mail or telephone.

Note: Board policies stipulate that "projects for the construction, remodeling, and renovation of church facilities, including landscaping and grounds that have an anticipated cost of \$5,000 or larger," must be approved by the church's board of directors in addition to the Buildings and Grounds Committee.

*Based on existing board policies.

Note: Chart board added for clarification, as per board request at its September 2006 meeting.

Actions and Activities That Require Formal Buildings and Grounds Committee Authorization

Authorization Required	None	Buildings & Grounds Comm.	Buildings & Grounds Comm. and Board
Projects funded from the operating budget	X		
Proposals to remodel any church physical facility		X	
Proposals to make structural changes in any church physical facility		X	
Projects to be funded from the Capital Reserve		X	
Any projects Facilities Manager wants to bring for \$ or formal approval		X	
Unbudgeted expenses for building repair or improvements of \$1,000 or more		X	
Unbudgeted expenses for grounds repair or improvement of \$1,000 or more		X	
Any projects to repair or improve building or grounds for \$5,000 or more			X

20. Transition Plan: Role of the Leadership Succession Committee

Board Approved: January 16, 2007

a. Introduction

The Nominating Committee now in place did not anticipate making formal recommendations for committee chairs or members, and it is unfair to ask them to do so. It is also counterproductive to suddenly change the composition of committees, so the following is offered as an approach: members of the Nominating Committee expressed willingness to make suggestions as to committee chairmanships or membership.

b. Standing and Program Committees Membership and Terms of Office

All current members will be asked if they want to remain on the standing committees, and, if so, whether they will accept one- or two-year terms, with election to a second two-year term possible. The same will apply to committee chairs. Any chair or member who does not want to continue to serve will be thanked and replaced with new recruits who will begin two-year terms. Any chair or member will be allowed to sign on for a one-year term, with the possibility of serving a second term of two years.

This represents maximum flexibility and should make the transition painless, if a bit slow. The Leadership Succession Committee will need to concentrate a good deal of effort on identifying and nurturing potential committee members and chairs, in addition to its responsibilities for identifying future board members and leadership.

This transition process will be complete on or before the annual meeting in 2011.

c. Revision of Policies

A review of church policies will be undertaken to assure their compatibility with the revised bylaws, and this process will be completed by 2011 as well.

21. Policy to Guide Joining Outside or Denominational Groups

Board Approved: January 16, 2007

A church committee or subcommittee may apply for membership in outside or denominational groups so long as the following conditions are met:

- the committee or subcommittee has sufficient funds in its budget to pay the required membership fee on an ongoing basis
- a record is kept documenting those in attendance at the meeting, the wording of the appropriate motion, and the outcome of the vote
- the outside or denominational group is informed that any listing of the support of the committee or subcommittee must specifically state that the “_____ Committee/Subcommittee of First Unitarian Church” has joined the outside or denominational group
- the committee or subcommittee informs the board and congregation of the action through the *Messenger* or as an item on the Web site

Rationale: Members of church committees and subcommittees need to be able to join groups that are compatible with their goals; however, it is vital that this support be cited and publicized as being that of the committee or subcommittee, without suggesting that their affiliation represents the body politic of the church.

A committee or subcommittee may recommend to the board of directors membership in an outside/denominational organization on behalf of First Unitarian Church. This recommendation should include:

- the name of the organization to be joined and its mission
- if it is an outside organization, a list of the board of directors
- if it is a denominational organization, the name of the UUA or district staff member involved and a list of other UU congregations that have joined
- the amount of the membership fee and the budget item from which it will be paid
- evidence the outside or denominational organization is one that enjoys the congregation’s general support and is compatible with the church’s mission

Following an affirmative vote by the board, the outside or denominational group shall be informed that that any listing of the support of First Unitarian Church may be stated as such.

Rationale: The board is elected by the congregation and is empowered to make commitments on the organization’s behalf. This situation differs from that of a congregational stand in that does not tie individual members of the church to specific statements of belief. If the process for taking congregational stands were employed to enable the church to join outside or denominational groups, the process would become overly burdensome and members of the congregation would soon weary of it.

22. Responsible Staffing Guidelines for Care Committee Volunteers

a. Purpose

In keeping with our safe congregation policy, there are three screening levels for Care Committee Volunteers.

b. Responsibility

It is the joint responsibility of the committee chair and of the minister assigned to that committee to see that the file is current and up to date.

1) Level 1

When recruiting volunteers whose work will put them in close contact with persons in vulnerable circumstances, the Care Committee will have the volunteer fill out and sign the Volunteer Application Form, indicating that they will follow the church's safe congregation policy and that they have never been convicted of a sexual abuse crime.

2) Level 2

Where the volunteer's work entails the use of a motor vehicle to drive individuals to church, doctors' appointments, and so on, the volunteer must also present a valid driver's license and proof of insurance. If transporting a large group in a private vehicle, the Care committee will request church office staff to request an insurance rider to cover the outing. One week's advance notice is required.

3) Level 3

For Care committee respite-care volunteers, a more rigorous screening is required. In addition to the application and signed statement, the volunteer will sign a release form for criminal background and sex offender background checks. The staff will assure that the background checks are accomplished. The cost of the background checks will be included in the Care Committee's budget. The committee shall conduct telephone reference checks on the respite care volunteers, as needed.

All volunteer forms, copies of licenses, and auto insurance proofs, as well as records of reference checks will be kept in a locked file in the church office.

23. Policy on Non-Standing Committees

Approved by Program Team: March 11, 2004

a. Purpose

The definition, creation, leadership, membership, funding, and dissolution of non-standing committees.

b. Definition

A non-standing committee is any committee created by the board of directors, standing committee designated in the bylaws (such as Finance Council, Buildings and Grounds Committee, or Program Team), or already existing committees that is not specified in the bylaws as a standing committee. Any non-standing committee should have a specific charge and will be expected to submit a report for the Annual Report. Examples include: Care Committee, Building and Grounds Committee, and Worship Committee.

c. Forming New Non-Standing Committees

The board of directors may create and approve non-standing committees that are necessary to carry out the board's work or facilitate the church's organizational structure.

Councils designated by the bylaws may create and approve non-standing committees that are necessary to carry out the council's work or facilitate the church's organizational structure. Approval will be reported to the board. The board has the power to veto the creation of councils' non-standing committees.

A standing or non-standing committee may create other subcommittees necessary to its purpose. These subcommittees should be reported to the Program Team. The board has the power to veto the creation of committees' non-standing subcommittees.

d. Leadership

A non-standing committee or subcommittee shall select a chair from its membership. The chair must be a member in good standing of the First Unitarian Church of Albuquerque. The selected chair's name will be reported to the appropriate committee, the appropriate council, or the board.

The chair is expected to become familiar with the church's mission covenant, policies, bylaws, and office procedures.

The board, a council, or an already-existing committee has the power to remove the chair of any non-standing committee or subcommittee it has created.

If, at any time, a chair cannot be found for a non-standing committee, the creating board, council, or committee will assist in the search. If a chair still cannot be found, dissolution of the non-standing committee or subcommittee will be considered.

e. Funding

Funding for the new fiscal year is obtained by following the procedures established by the Finance Council.

Committees formed mid-fiscal year can request funds from the current operating budget by contacting the Finance Council.

Funds under \$99.00 are available from the Program Team and should be requested from that body.

Fundraising activities must adhere to the established policies for vending programs or fundraisers.

f. Dissolution of Non-standing Committees

A council or committee may vote to dissolve a committee it has created. Dissolution will be reported to the board. The board has the power to veto the dissolution.

The board of directors may vote to dissolve a committee or subcommittee if it concludes the committee no longer maintains clear integration with and accountability to First Unitarian Church of Albuquerque's mission Covenant, policies, and bylaws.

Any non-standing committee approved by the board, one of the councils, or a committee or subcommittee that has been inactive for at least six months shall be declared inactive by the board, council, or committee, its members notified, and its continuation reviewed by the creating board, council, or committee.

24. Selection of Attendees for Church-Funded Activities

Board Approved: September 14, 1992

Revised and approved by Program Team: July 8, 2004

a. Purpose

To provide a fair, consistent method for selecting church members to attend church-funded activities, including but not limited to: leadership schools, UUA General Assembly, and Mountain Desert District Conference.

b. Procedure

Opportunities for church financial support for special activities will be publicized to the congregation in the *Messenger* or other appropriate media. Information provided will include the amount of funds available, the source of funds (for example, budget, grant, or donation), and the maximum number of members to be selected.

The Denominational Affairs Committee, in concert with the ministerial staff, will select delegates and levels of funding. Names of delegates will be presented to the Program Team for its approval.

Priority will be given to: (1) church board members, (2) committee chairs, (3) committee members, and (4) church members at large.

If requested, approved delegates may receive a portion of their total expenses to the above-named denominational events.

Approval of applicant(s) by (the Program Team) will be reported to the board in the next regularly scheduled meeting.

25. Leafleting of Church Members

Board Approved: March 29, 1993

In general, there will be no leafleting (handing out literature) to congregants on Sunday morning. This practice makes extra work for ushers and is seen as an intrusion by members.

Members and friends of the church are invited to publicize community meetings and events, hold small fund raisers (Girl Scout Cookie sales and so on), obtain signatures for petitions, and express their opinions regarding church affairs by setting up a card table on the patio and offering literature or conversation to those who wish to browse such tables. In inclement weather, there are usually tables in back of the mural that may be used for this purpose. Persons taking advantage of this policy are responsible for bringing their own tables or for setting up and taking down church tables.

The board must make any exceptions to the above policy.

Please note the following related policies:

Albuquerque city ordinance forbids leafleting of parked cars without permission of the property owner, which is obtained from the board.

Oral and written announcements in the Sunday service are only made when they pertain to church activities and committees. Community events are publicized through the bulletin boards, and members are invited to submit flyers to the office for posting on the bulletin boards.

26. Announcements Policy

Approved by Program Team: November 13, 2003

Our announcement policy attempts to walk a line between two competing values: good dissemination of information, and an attractive spiritual worship service. A good balance between these two things requires *advance planning*.

a. Guidelines for Announcements

Sunday announcements are limited to church matters. Non-church events (peace rallies, concerts, and so on) may be publicized by placing a notice in the *Messenger* (if they fall within *Messenger* policy guidelines), placing flyers on bulletin boards in the social hall (please refer to the policy on bulletin board use), or setting up a table in the social hall or on the patio. When church committees are sponsoring non-church events (for example, the Social Justice Council sponsoring a Habitat for Humanity event), the committee involved may make announcements about these events. Please note the connection to your committee in the submission e-mail.

Announcements are typed in the Order of Service or placed on the list of oral announcements by the church staff on Thursday. Please have your written announcement to the church by 9:00 AM on Thursday.

Verbal announcements should be no longer than three sentences. Written announcements are limited to 25 words.

Announcements should be written such that a visitor will understand them. (that is, no “in-crowd” talk or acronyms).

Details such as addresses or phone numbers should be included in written announcements only.

We attempt to keep the entire greeting and announcement portion of the service down to four minutes. The office may edit or postpone some announcements during times of great demand.

The worship leader makes the announcements. If it is important for the congregation to recognize the organizer of an event, the lay leader can ask that person to stand up briefly. An announcement that cannot be made by the announcer (such as a skit) must be scheduled in advance with the person in charge of that service. (Call the office for this information.) The decision about this will be made taking into consideration other timing elements of the service. Advance planning makes permission more likely.

All announcements must indicate whether they are to be given at one or both services and whether or not they should be oral or written (not both).

Please don't ask the worship leader to add announcements on Sunday morning except in cases where there have been last-minute changes in already-publicized plans.

Church groups wishing to present more detailed matters to the membership may sign up to do a pulpit editorial, as may individuals. A pulpit editorial is a “mini-sermon” (three to five minutes) and should be scheduled with the person in charge of the service, as it requires the main speaker to plan for it. Pulpit editorials are more than announcements or opinions; they should concentrate on whatever the speaker takes as the spiritual dimensions of the subject at hand.

Many services cannot accommodate pulpit editorials, so it is best to plan this considerably in advance.

The sponsoring committee must prepare, copy and insert inserts to the Order of Service prior to the Sunday Service.

Committees or groups may need prior Program Team approval for a fundraiser before an Order of Service announcement can be made. Please refer to the section “Funding for Unbudgeted Church Activities” in the Compendium of Church Policies.

New committees or groups may need prior Program Team approval before forming and before an Order of Service announcement can be made. Please refer to the section “Definition of Church-sponsored Activity or Group” in the Compendium of Church Policies.

If the Program Team or staff rejects an announcement, the person who submitted the announcement must be notified.

27. *Messenger* (Newsletter) Policy

Amended and Approved by the Program Team: November 13, 2003

a. Purpose and Readership

The *Messenger* is the church's primary publicity and public relations piece. It is sent to members, friends, persons on the Path to Membership, visitors, subscribers, and a variety of other interested churches, ministers, and denominational offices, as well as to Albuquerque newspapers. The *Messenger* is produced biweekly with occasional three-week issues to accommodate holiday periods. The goal of the *Messenger* is to produce the greatest possible coverage of information and congregational events in a readable and engaging format. This includes announcements and articles about opportunities for the congregation to join the Social Justice Council and other outreach groups in fulfilling their covenant by working for social justice in the community. The *Messenger* is not intended as a vehicle for items of specialized interest, nor is it an appropriate place for the airing of grievances. The *Messenger* does not print letters to the editor.

From time to time a special *Messenger* is produced on an off-*Messenger* week, entirely devoted to one topic of an unusually complex nature. Because the production and mailing of a special *Messenger* is costly, the board of directors must approve these issues.

b. Subscription Policy (Statement)

The *Messenger* is published biweekly by First Unitarian Church, Albuquerque, New Mexico. It is free to pledging members and pledging friends. There is a cost for a subscription (refer to Office Procedure for cost). Guests receive a complementary subscription for two months. People on the Path to Membership receive a complementary subscription for six months.

c. Editing Policy

In order to facilitate easy and timely communication, the *Messenger* is produced on a very tight deadline with very little time for editing decisions. It is the responsibility of those who wish to have their information appear in the *Messenger* to submit their article to publications staff, preferably via e-mail, by the required deadline. Refer to Office Procedures for deadline dates and times.

All *Messenger* submissions are subject to editing for style, content, and length. The editor will consult with the submitter and/or staff if an article needs substantive changes. The editor's decisions are final. Questions or disagreements regarding an editorial change should be brought to the attention of the church administrator, associate minister, or senior minister, in that order. Each person or group should be given the complete details of the question and given a reasonable time frame for response.

d. Submission Guidelines

The following groups will be afforded space in the *Messenger*:

- local church-related committees and events
- denominational groups: UUA, MDD, UUSC, or affiliated group

- local church committee-sponsored groups, such as Project Share sponsored by the Social Justice Council
- groups sponsored and/or started by the church, such as La Puerta
- committees or groups may need prior Program Team approval for a fundraiser before an article can be placed in the *Messenger*. Please refer to the section “Funding for Unbudgeted Church Activities” in the Compendium of Church Policies.
- new committees or groups may need prior Program Team approval before a formation announcement can be placed in the *Messenger*. Please refer to the section “Definition of Church-sponsored Activity or Group” in the Compendium of Church Policies.

Refer to Office Procedures for deadline dates and times.

If the Program Team or staff rejects an announcement, the person who submitted the announcement must be notified.

No advertising for members or friends or members’ organizations products or services will be accepted. No outside advertising is accepted.

All submissions should be as brief as possible. It is preferred that all submissions are done via e-mail. See Office Procedure on Publication for specific formatting requirements.

Newsletter inserts must be prepared and delivered to the church office by the deadlines spelled out in the Office Procedure on Publication. Committees will be charged for copying the inserts.

Submissions that are to be run in more than one *Messenger* should be resubmitted for each individual deadline. If this is not possible, please include a note indicating which dates the message is to appear and the publications editor will attempt to accommodate your request.

Items intended for the Order of Service should be submitted separately from *Messenger* articles

28. Program Team Membership and Voting Structure

Amended and Approved by Program Team: November 13, 2003

For the purposes of voting on Program Team policies, the Program Team shall consist of the following members:

- Ex-officio members:
 - one minister, as determined by the ministerial team (ex-officio)
 - associate minister of religious education (ex-officio)
 - church administrator (ex-officio)
 - Finance Council representative (ex-officio)
 - Buildings and Grounds Committee representative (ex-officio)
- A representative from all of the following groups will make up the voting body:
 - Board of directors
 - Religious Education Committee (standing)
 - Worship Committee
 - Care Committee
 - Arts and Aesthetics Committee
 - Denominational Affairs Committee
 - Membership Committee (standing)
 - Social Justice Council
 - Stewardship Committee (standing)
 - Committee on Ministry (standing)
 - Nominating Committee (elected by congregation, standing)

A Program Team quorum is defined as seven of eleven voting members present, with the chair counting as a one of the seven if necessary.

Should a group or committee wish to become a voting member of the Program Team, they must request this in writing to the chair of the Program Team. The chair will then present the petition to the Program Team members, who will vote on accepting the group into the Program Team. This becomes formal when the board approves the new group as a member of the Program Team.

The Program Team members shall elect the chair of the Program Team annually at the beginning of the new fiscal year. This becomes formal when the board approves the Program Team chair.

29. Acoustic Panel Bulletin Board Policy

Approved by Program Team: 2003

Two of the small acoustical panels in the social hall will be designated as “News from Committees and Councils.” In order to preserve the acoustical benefits of the panels and the aesthetics of the social hall, these panels, along with those designated for Denominational Affairs, new member photos, and the Social Justice Council, are the only panels that may be used for posting.

The following guidelines apply to all material posted on the “News from Committees and Councils” panels:

- material may be posted by committees and councils only
- material must be clearly marked with a reasonable expiration date
- a posting date and the name of a contact person should be clearly visible on all material
- no single committee’s postings should take up more than one-half of each of the designated panels
- postings may only be removed by a member of the committee or, if the one-month limit has been exceeded, by a designated member of the Program Team
- postings should apply only to the committee’s work or local church committee-sponsored groups
- no advertising for a member or friends or members’ organizations may be posted
- no outside advertising should be posted
- members of the Program Team will rotate the responsibility for applying these policies

There are now two small panels set aside for councils and committees. These are labeled in the social hall, and all committees, with the exception of Social Justice Council and Denominational Affairs (which have their own boards), should feel free to post. Policy guidelines are posted on each panel.

30. Policy on Ongoing Affinity Groups

Approved by Program Team: February 12, 2004

a. Purpose

To define and describe the creation, leadership, membership, and dissolution of ongoing affinity groups.

b. Definition

An ongoing affinity group is two or more people who seek to meet to share a common interest. Ongoing affinity groups promote the spiritual, intellectual, and personal growth of members of the congregation. The ministerial team and leadership of the First Unitarian Church of Albuquerque strongly encourage the creation of such groups while making clear the responsibility and accountability of such groups to the church's purpose, mission covenant, bylaws, policies, and organizational structure.

c. Forming New Ongoing Affinity Groups

A group is "ongoing" if it intends to exist for a year or more.

The intension to form a new ongoing affinity group must be communicated to the chair of the Program Team prior to any announcement or use of church facilities by the proposed group. Groups should have considered and be able to provide the following information regarding their intensions:

- purpose of the group
- proposed membership
- how the group will relate to the mission covenant
- where and when it plans to meet
- a phone number and e-mail address of a contact person
- whether there is a desire for a mentor from the Program Team or other standing committee

Any member in good standing of First Unitarian Church of Albuquerque may form a new ongoing affinity group

The Program Team chair will update the team at its next meeting or via e-mail of the formation of a new group. If the proposed group has requested a mentor, the chair and/or Program Team will appoint a mentor to assist the group.

d. Ongoing Affinity Group Leadership

The group will elect its own leader from those members who are members in good standing of First Unitarian Church of Albuquerque. Groups are expected to adhere to the use of democratic principles in choosing a leader.

Church groups that choose not to have a leader should appoint a liaison person to communicate with the Program Team and the church office.

e. Membership and Programs

Membership in any ongoing affinity group is open to all members in good standing and friends of First Unitarian Church of Albuquerque. Individuals from outside the church may also attend and participate in programs and activities.

The ongoing affinity group is responsible for creating, funding, staffing, and coordinating its own programs. It is free to develop its programs as long as they are in keeping with the stated purpose of the group and First Unitarian Church of Albuquerque's mission covenant, policies, and bylaws, and do not present a legal or ethical liability to the church.

f. Funding

Ongoing affinity groups are expected to be financially self-supporting.

Any fundraising activities will adhere to existing policies on vendors or fund raisers (See "Policy for Vending Program on Church Premises" and "Funding for Unbudgeted Church Activities" in Compendium of Church Policies.)

Limited funding may be sought from the Program Team (see "Funding for Unbudgeted Church Activities" in Compendium of Church Policies.)

If an ongoing affinity group dissolves, all property and funds remaining in the group's fund shall become the property of First Unitarian Church of Albuquerque after the payment of all outstanding debts. First Unitarian will not be responsible for debts in excess of the amount in the group's fund.

g. Rights of Ongoing Affinity Groups

Once formed, ongoing affinity groups have the rights to the following:

- free use of First Unitarian space for meetings
- submit articles to the *Messenger* and announcements to be included in Sunday Orders of Service (See "*Messenger* (Newsletter) Policy" and "Announcements Policy" in Compendium of Church Policies.)
- inclusion in the "Committees, Volunteering, and Affinity Groups" pamphlet published and distributed by the church.

h. Dissolution of Ongoing Affinity Groups

An ongoing affinity group is required to submit a written report at least annually to the Program Team.

If membership has declined, the group may decide to dissolve itself. Dissolution should be reported to the office staff and to the Program Team.

The Program Team may vote to dissolve a group if it concludes the group no longer maintains clear integration with and accountability to the church principles and mission or if it presents a legal or ethical liability to the church.

31. Membership-Wide E-mail Policy

Approved by Program Team: July 8, 2004

a. Purpose

To disseminate important information quickly.

b. Definition

To provide guidelines for sending e-mail to all members who have e-mail addresses on file.

c. Criteria

Only church members and staff can request to have membership-wide e-mails be sent. This is only appropriate when the usual means of communication is unavailable, that is, urgent news that falls between issues of the *Messenger* and needs a broader audience than a Sunday announcement. Messages must follow the *Messenger* policy. Membership-wide e-mail messages will always contain the following note: "If you know of someone without e-mail, who would be interested in this message, please call him or her." Messages must be significant and of general interest. Core staff (ministers and the church administrator) will have the ultimate authority to accept or reject requests and wording.

Examples: Don't send an e-mail to the whole church membership when Wednesday Potluck is canceled since this only involves a few people. Don't expect an e-mail to be sent out if an article misses a *Messenger* deadline for submission. Do send e-mails for memorial services and congregational meetings.

32. Handling of Distributions from the Staff Appreciation Restricted Fund

Approved by the Core Staff: August 22, 2005

The yearly distribution of proceeds from the Endowment Fund Committee from this restricted fund will be placed in a designated fund in the church accounts.

The staff person acting as lead administrative officer (currently the associate minister) has the authority to disburse these funds in accord with the purposes of the Staff Appreciation Endowed Fund. (The earnings from the Staff Appreciation Fund will be used for unbudgeted staff training, denominational meetings, bonuses, and employee assistance.)

The lead administrative officer will report on the disbursements of this fund to the board at least yearly. If individual staff member bonuses are a part of the disbursements, this will be done in a closed session. The head of staff may delegate or consult with others about disbursements.

Money not expended each year may be held in the non-lapsing account or returned to the Endowment Fund Committee to increase the capital base of the Staff Appreciation Fund.

Funds will be disbursed by the church's usual vouchering process.

The Endowment Fund Committee will be informed of the uses of income from the Staff Appreciation Fund on an annual basis so that the information may be included in the material it develops to promote the Endowment Fund.

33. Handling of Endowment Distributions from the Banks-Curtis Restricted Fund

Approved by the Core Staff: August 22, 2005

The yearly distribution of proceeds from the Endowment Fund Committee from this restricted fund will be placed in a designated fund in the church accounts.

The staff person responsible for the RE program (currently the DRE) has the authority to disburse these funds in accord with the purposes of the Banks-Curtis Endowed Scholarship Fund. (*Purposes:* The Banks-Curtis Endowed Scholarship Fund was established to provide scholarships for youth educational programs and activities that develop and sustain (1) leadership skills, (2) a better understanding of Unitarian Universalist religion and principles, or (3) understanding of social responsibilities and practices or actions that support Unitarian Universalist purposes and principles and the mission of our church.)

The DRE will inform the RE Committee about disbursements and may delegate this work to other staff or volunteers. All disbursements will be noted in the RE Committee minutes.

Money not expended each year may be held in the non-lapsing account or returned to the Endowment Fund Committee to increase the capital base of the Banks-Curtis Fund.

Actual disbursement of funds to recipients will be by the church's usual vouchering procedures.

The Endowment Fund Committee will be informed of the uses of income from the Banks-Curtis Fund on an annual basis so that the information may be included in the material it develops to promote the Endowment Fund.

34. Fiscal Year Change in Bylaws

Congregational action allowed the Board to change the church's fiscal year.

Board unanimously approved the following on January 20, 2009:

1. Adopting a fiscal year for the church of January 1 to December 1, effective January 2, 2010.
2. At the recommendation of the Leadership Succession Committee, the Board in turn requests that the Bylaws Task Force prepare amendments going along with this change to match the governance year with the fiscal year.

35. Policy Regarding Animals on Church Premises

Approved by the Board, April 22, 2009

To ensure the well-being of church members and visitors, as well as that of animals, First Unitarian sets forth the following policy regarding animals on church property:

1. Pets are permitted on church grounds. However, no animals may be left unattended.
2. The only animals permitted in church buildings are certified service animals wearing identifiable services vests and trained to avoid distracting behavior. Persons allergic to such animals should move to avoid them.
3. Staff members may make an occasional exception to this policy such as animals visiting religious education classes for instructional purposes and Pet Blessing events. Such events are publicized in advance so that those who wish to avoid animals may do so.

36. Policy on Alcohol Use

Approved by the Board, April 22, 2009

The serving of alcohol on church property is problematic and must be restricted to protect the church, congregants and visitors. Therefore, First Unitarian allows the use of alcohol on the premises by church groups with the following restrictions:

1. Advance notice must be given to the office when alcohol is being served at an event.
2. Attractive alternative beverages must also be served whenever alcohol is served.
3. A donation may be collected, but no alcohol may be sold.
4. If minors are present, special care must be taken to see that they do not consume alcohol.
5. Inebriated persons may not be served alcohol and must be discouraged from driving.
6. No alcohol may be stored on the premises, and all empty alcohol containers must be removed for recycling at the end of the event.

A church group is defined as a group in which more than two-thirds of the members belong to First Unitarian.

Renters and other non-church groups may seek permission to serve alcohol only for ritual purposes (communion or one toast at a wedding). This provision is incorporated into the rental agreement.

Groups serving alcohol without permission or in violation of the above rules may lose their right to reserve church facilities.

37. Cost of Living Increases Policy

Approved by the Board, August 17, 2010

The congregation places a high priority on treating its staff fairly and expects that the budget they are presented each year will include cost of living raises for continuing employees. When staff salaries are being considered during the budgeting process, the head of staff will consult the Cost Of Living Adjustment (COLA) published by the Social Security Administration for that year for all employees on roll as of October 1 of each year. Staff salaries will be increased by the amount of the COLA unless the Board determines that the budget cannot accommodate the increase, in which case the Board will exercise its discretion in determining a reasonable adjustment.

38. Internal Audit Policy

Approved by the Board, August 17, 2010

The role of the Internal Audit Committee is to assist the Board of Directors in fulfilling its responsibilities as stewards of the congregation's financial health. The task of the Committee is to verify information contained in the Church's financial reports and to express an opinion to the Congregation regarding this verification. Essential to this process is the independence of the Committee, meaning that the members are unbiased and impartial. Internal audits are to be conducted annually.

The four-member Internal Audit Committee is to be nominated by the Leadership Succession Committee and approved by the Board. Committee members are to be current members of First Unitarian and to have a reasonable and sufficient familiarity with the terms, concepts, and practices of the financial world. Members serve for two-year terms with half the group offset in tenure so that each year half the people turn over. No current or recently past (2 years) member of the Finance or the Endowment Committees or their immediate families may serve on this Committee.

The Committee will review adequacy of the Church's financial management controls and the soundness of the system of cash management that protects both staff and volunteers through sufficient checks and balances. To achieve these objectives, the Committee's review is to include, but is not limited to, consideration of:

- Financial Statements
- Cash Management and Disbursements
- Accounts Payable
- Land, Building, and Equipment Records
- Insurance Policies
- Accounting Practices and Procedures
- Amortization of Debt
- Securities and Investment Accounts
- Endowment Status
- Personnel Matters relating to financial functions
- Federal Reporting Requirements

Transparency of the internal auditing process is essential. This includes the selection of Committee members, the auditing process itself, and communication of audit results to the Church leadership and membership.

The Committee will organize internally to perform its function, defining whatever structure it believes necessary to conduct the review as described. The Committee will strive to report a consensus report. In the event this is not feasible, it will present majority and minority opinions. The report of the internal audit committee will be distributed at the Congregation's annual meeting. The Committee's report will include but is not limited to a description of the review process and content, the limitations of the Committee's work, and an opinion on the soundness of the congregation's annual financial reports.

39. Record Retention Policy

Approved by the Board, November 16, 2010

The Record Retention Policy provides minimum guidelines for mandatory document retention and is intended to reduce or eliminate the possibility of accidental destruction of documents. This policy assumes that internal audits take place on an annual basis. Other documents may be added to this list as deemed appropriate.

TYPE OF DOCUMENT	MINIMUM REQUIREMENT
Articles of Incorporation, amendments, bylaws	Permanently
Audit reports	Permanently
Certificate of incorporation and corporate records to the State	Permanently
Checks (for important payments and purchases)	Permanently
Contracts and leases in effect	Permanently
Correspondence (legal and important matters)	Permanently
Deeds, mortgages and bills of sale	Permanently
Employment applications (for current employees)	Permanently
Insurance records, current accident reports, claims, policies, etc.	Permanently
Minute books, bylaws and charter	Permanently
Property records	Permanently
Retirement and pension records	Permanently
Tax returns	Permanently
Workers' Compensation records	Permanently
Year End Financial Statements	Permanently
Accounts Payable ledgers and schedules	7 years
Bank statements and reconciliations	7 years
Canceled checks and deposit slips	7 years
Correspondence (general)	7 years
Employment applications (not current employees)	3 years
Expired contracts, mortgages, notes and leases	3 years
Expired insurance policies	7 years from expiration
Housing Allowance forms	3 years from expiration
Invoices (to customers, from vendors)	7 years
Inventories of products, materials, and supplies	7 years
Payroll records and summaries (including W-2 or 1099 forms)	7 years
Personnel files (terminated employees)	7 years
Timesheets	7 years