(Based on a draft from David Jones, Nov. 30, 2013, as amended by MKD on 10/30/14)

Policy Governance Overview at USNH

1   What do we mean by governance?

Governance is the structure of decision-making within an organization. A governance structure provides a framework for responsibility, accountability, and authority in the day-to-day running and future planning of an organization.

2   Why do we need a new governance system?

We need a new governance system because USNH has grown too large for a small-congregation mindset with the board managing staff and volunteers. The board and leaders of the congregation have been examining Policy Governance since 2008. The models we have looked at promise an engaged congregation and a forward-focused board, with well-defined roles among the leadership, staff, congregation and committees.

3   What is Policy Governance?

Policy Governance® (or Governance by Policy) is a system that establishes clear lines of authority, accountability, and encourages communication between the congregation, the Board, and the Staff. Actions are guided by policies, which provide guidance in decision making as well as providing feedback and soliciting input from all areas of the congregation.

4   What does Policy Governance look like?

The congregation continues as the source of our mission, priorities, and inspiration. The elected, representative board of trustees is charged with the following:

- working with the congregation to articulate the outcomes that it wants to achieve

- setting broad policies that limit the staff and Management Team to practices that are legal, prudent, and ethical

- monitoring adherence to those policies

The board focuses on the future of the congregation furthering the mission of USNH.

The staff, under the leadership of the Management Team, is entrusted to interpret the policies, perform their roles with professionalism, and put plans and activities in motion to achieve the desired outcomes. Volunteers are granted the same trust and share similar responsibility as the staff.

5 How is the Board's role changing?

The Board has started to govern through creating policies. The board has been discerning core values, a mission statement, and ends statements based on input from the USNH community. The ends statements attempt to answer three primary questions: 1) what difference are we here to make, 2) for which people, and 3) at what cost or priority? The board is also setting "means" policies, or limitations on how outcomes may be implemented. The means policies set legal and prudent boundaries, encourage communication, and require monitoring. The result is to free up the creativity and efficiency of staff and volunteers.

The Board will not manage the specifics of how the staff or committees go about achieving the desired outcomes. Disentangling the board from day-to-day management issues allows the board freedom to do more "big picture" thinking and to act as leaders as opposed to managers—a benefit not just to the board but to the staff and the congregation as a whole.

6 Can you provide an example of what these 'policies' look like?

The policies are very broad and general. They don't specify how something should be done – they specify what the limitations are. An example of one is the following:

1.1 Treatment of Paid and Volunteer Staff

With respect to treatment of staff/volunteers, the Management Team may not act in a manner inconsistent with UU Principles or cause or allow conditions that are inhumane, unfair, or unprofessional.

Furthermore, the Management Team shall not:

1. *Discriminate against existing or potential paid or volunteer staff based on race, ethnicity, national origin, gender, physical disability, marital status, sexual orientation, or gender characteristics, identity, or expression.*

2. *Operate without or fail to comply with written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions.*

3. *Subject paid or volunteer staff to unsafe or unhealthy conditions.*

As you can see, these broad statements don't tell people specifically what to do – they allow for judgment and interpretation by the Management Team about what is meant. The Management Team reports back to the Board periodically on how they are interpreting this policy. If the Board feels the Management Team is interpreting the policy in a way that they didn't intend, or is not in alignment with our mission, values or ends, the Board rewrites, clarifies, or writes another policy. Policy Governance is a constantly changing process of interpreting, monitoring, revising and reporting.
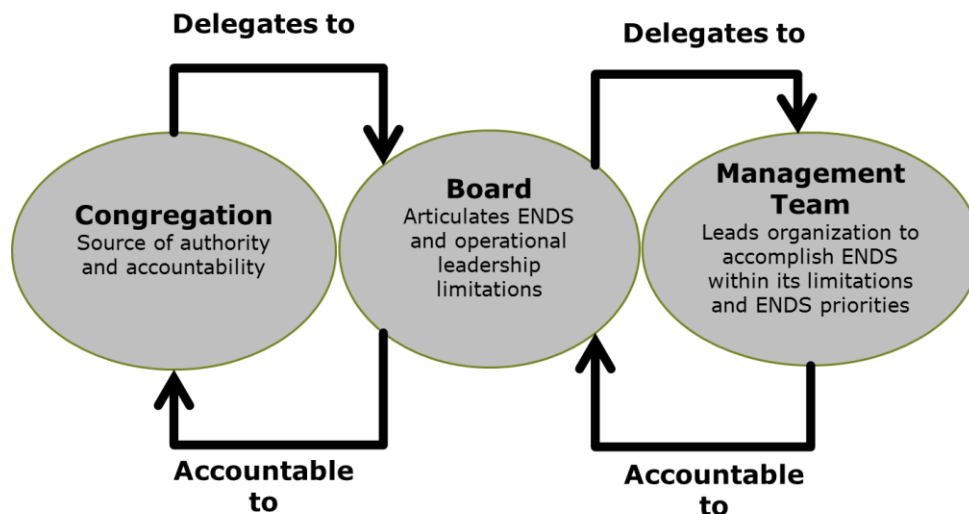
7   Who runs the congregation under Policy Governance?

The congregation is run on a day-to-day basis by the Management Team, which currently includes the minister and 2 lay leaders. They, in turn, delegate some items to the rest of the staff or to volunteers. They are responsible for ensuring that the "Ends" or goals of USNH are being met through the various programming.

Because we have an extraordinary opportunity to practice Policy Governance with Reverend Fritz, the Board has appointed 2 members to the Management Team – a current Board member – David Jones, and the chairperson of the Finance Committee, Sandy Frawley. All three team members have equal responsibility and accountability to the Board. They are acting as one unit.

The team has started to meet and begin coordination of resources with the various committees and the staff. The committees' responsibility is to ensure that the Management Team is made aware of requests for staff, building, and financial resources to conduct their activities. The Management Team has the job of prioritizing the requests and to ensure our resources are used to fulfill our mission and ends. Having a centralized function to coordinate staff and other resources should lead to better inter-committee communications, and a reduction in overlapping activities and priorities.

Committees and volunteers function as an extension of staff, and implement the outcome policies under the direction and leadership of the Management Team. Policy Governance clarifies this role and helps paid staff to do their work most effectively, along with our volunteers.

8   How is the budget managed under Policy Governance?

The Board's sets goals and priorities the Ends statements developed with the congregation's input. The Management Team, with the help of lay leadership, has responsibility for the nuts-and-bolts construction of the operating budget.. The budget is a "means" to our Ends, and should reflect our mission, values and ends.   The Board is apprised monthly as to USNH's financial situation, as part of its regular monitoring function and legal fiduciary responsibility.

The Board will continue to be involved in large or special financial decisions which typically fall outside of the operating budget.

The Board will also continue to review and approve the operating budget each year, to ensure that it is reflective of the congregation's broad policies and goals, and the congregation will still approve the budget at the annual Spring Meeting.

9   If the board is not involved in the daily operation of USNH, will it still listen to me?

Policy Governance not only frees the board to spend more time listening, but also actually *requires* it! The board is effective only as long as it represents the congregation and listens actively to its hopes, dreams, and concerns. PG requires the Board to seek feedback and input on how the congregation thinks things are going. This is called Linkage. These monitoring and linkage processes are included in the PG policies.

An important role of the board is to help discern and serve the values, mission and ends the congregation — the differences USNH aspires to make. The Management Team, working with other staff and volunteers, implements the methods used to accomplish our dreams.

10 Where are we in the process of transitioning to Policy Governance? What has been done so far?

The board and other leadership has been studying the model used at other UU congregations. The board is working with a consultant from Unity Consulting that has helped the board lead the congregation to develop its mission, values and ends and she has done workshops with us to write the policies.

 In this coming year, the goals of the Board are:

- Evaluate the experimental 3 person Management Team structure.

- Educate ourselves and the congregation about the budgeting process and to obtain congregational input as to how to go about right-sizing our budget. The Board is working to elicit the congregation's opinions on the financial priorities for USNH in order to better inform us of the staffing needs, assuring that our ends reflect those priorities, and in thinking further about the structure of the Management Team.

- To develop and establish the linkage processes that will provide new ways to communicate with the congregation about priorities and our progress towards our mission, values and ends.

11 What's next?

The 2014-2015 congregational year is focused on working with our new Management Team structure, developing the first tier broadest policies, determining the methodology for monitoring policy adherence, and establishing linkage with the congregation. Fritz Hudson is allowing us to

experiment with how PG works by acting as if we were fully implemented. He has started providing us the types of monitoring reports that we would expect to see.

Think of this as a time for us all to learn on our way to living out our mission, values and ends more fully. With patience, faith and trust in one another, we will put in place a system that will help us make even greater differences for our members and in our world. It is important during this transition time for congregation members to communicate any questions and concerns directly with the board. If you have any questions, please do not hesitate to ask a board member or to send an email to governance@usnh.org.

12 Where can I learn more about policy governance?

The UUA maintains a website on policy governance which contains a lot of useful information:

http://www.uua.org/governance/policybased/