Policy Governance:

What does it mean to become a Policy Board?

The Unitarian Church in Westport

Roles in an Organization

- Owners - Members
- Board of Trustees
- CEO/Senior Minister
- Staff - including volunteers
- Constituencies: other Elected Committees/volunteers/ committees

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Owners

- Who elected us?

- Are owners just the current membership?

- What does it mean for the Board to be accountable to the Mission?

- How do we communicate with owners?

- The Board represents the owners.

Board

- The Board (<u>as a group</u>) represents owners.
- No individual Board member has authority in the organization. The Board speaks with one voice
- Board sets policies to guide the CEO in achieving ends, and gives the CEO authority to accomplish ends through staff/task and working groups/committees, etc.
- Is accountable that <u>the organization works</u>.
- Has a forward looking, long-term perspective.

The CEO/Senior Minister

- Works to achieve the ends defined by the Board.
- Works within constraints defined by Board policies.
- Charged to make "reasonable interpretations" of Board policies.
- May define and use additional means as needed.
- Has complete control and freedom to determine best methods (within constraints defined by the Board).

Constitutencies

- Receive concrete benefits from the organization (<u>results</u>, not activities)
- May be inside or outside the organization
- May be composed of different groups with different capabilities and needs
- May also participate within the organization (but in different roles, <u>not as consumers</u>)

Ends

- The results produced by the congregation:
  - What real differences does the congregation make in people's lives?
  - <u>Not</u> activities
- Who receives the benefits produced by the congregation?
- What is the priority of various results?

Means

- Everything that is <u>not an end</u>
- Board governance processes
- Board-staff linkages
- Operations (including methods, practices, budgets, personnel, buildings, programs, services, and curricula)

Policy

- Policy is the <u>written</u> expression of the Board's expectations:
  - Ends (+)
  - Board governance process (+)
  - Board-Staff linkages (+)
  - Operational constraints (-)
- The Board acts <u>as a group</u>, not as individuals

Form of Policy Statements

- <u>Pre</u>scriptive (+) for Ends, Board Governance, and Board-Staff Linkages:
  - Positive statements
- <u>Pro</u>scriptive (-) for Operational Means
  - Negative statements
  - Sets boundaries
  - Allows freedom to act within defined constraints
  - Everything that is not forbidden is OK!

Policy Formulation Process

- Start with general, high-level statements.
- Continue to add detail until you are willing to accept any reasonable interpretation.
- Sample set of ends statements:
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Key Points

- The Board acts <u>only</u> as a group.
- No individual can speak for the Board.
- Delegation of authority by the Board is through the CEO; the Board does not have direct authority over the staff.including committees.
- The point is to give away as much authority as possible (safe)!

Boundaries

- Examples:
  - Don't spend what you haven't got.
  - Don't permit unjust hiring or personnel practices.
  - Don't do anything imprudent, unethical, or illegal.
  - Ensure that our buildings are safe and accessible, well maintained and, to the extent possible, environmentally sound.

Ongoing Job of the Board

- Are ends achieved?
- Were means acceptable within the defined boundaries?
- Refine and review policies.
- Provides connection between owners and operators.
- Seek information needed for Board responsibilities (not seek information that is incidental).
- Create committees only for their own domain (not for operations).

The Board Is

- Accountable to the Mission of the Church
- Contemplative
- Authoritative
- Unitary
- Self-disciplined
- Methodical
- Empowering
- Fair but rigorous

CEO/Senior Minister Responsibilities

- All operational matters
- Directs staff
- Accountable for achieving ends
- Acts within constraints defined by Board policies
- Has freedom to choose <u>any</u> means as needed within <u>any reasonable interpretation</u> of board policies
- Personnel, budgets, procedures, programs, services, curricula, strategic planning, …

Monitoring

- Only to verify:
  - Were ends achieved?
  - Were means acceptable?
- Performance evaluation is ongoing.

Budgets and the Board

- Is the budget projected to achieve the organization's ends?
- Does the budgeting process conform to the organization's financial management policies?
- Board does <u>not</u> approve the budget unless required to do so by an external body (can be a consent agenda item).
- Finance officer should not be a Board member (except as a policy advisor), because the Board delegates financial management responsibilities to the Executive Team.

Bad Ideas from Other Policy Boards

- Executive Committee of Board
- Finance Officer on Board
- Vice Chair without a specific portfolio
- Board President or members directing staff
- Board committees foisted upon staff operations
- Serving on a Board without training

Beyond the Policies

- For Board governance and Board-staff linkages, anything not defined by policy is delegated to the Board President.
- For Operational means, anything not defined by policy is delegated to the CEO/Senior Minister.

Translating It To Our Board

- Who or what are we defining as our owners?
- Are we clear about CEO/Senior Minister role?
- What results do we produce?
- For whom?
- What is the relative worth or priority of the results we produce?
- What operational means are unacceptable?
- How can we ensure effective governance processes and staff linkages?