



**Neighborhood Unitarian Universalist Church
Policy Manual**

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Preface

This Policy Manual (Manual) sets forth the governing policies of the Board of Trustees (Board) of Neighborhood Unitarian Universalist Church of Pasadena (Neighborhood Church). The policies in this Manual supersede all policies adopted by the Board prior to the revision dates indicated for each policy.

A word about the policy governance principles upon which this Manual is based. Under policy governance, the purpose of the Board (its job) is to govern Neighborhood Church on behalf of the congregation in order to assure that the Church lives up to its Mission, Values, and Ends, and avoids practices and methods, situations and conduct that are unacceptable, as defined by this Manual and embodied on our Mission, Values, and Ends.

This Manual contains four sections: (1) policies about the Ends, which describe the world we are seeking to achieve as an outcome of embodying our Mission and Values; (2) policies that limit the Senior Minister authority through describing methods, practices, situations, and conduct; (3) policies that describe how the board itself will operation; and (4) policies that delineate how governance is linked to management. The policies in this Manual are exhaustive; in other words, the policies in this Manual, plus the By-laws, contain the sum total of the Board's governance role. All else is the purview of the Senior Minister's authority, as delegated herein.

Amendments adopted 04-25-2017

Section 1: Mission, Values, and Ends

Section 1.1 Mission and Values

Neighborhood Unitarian Universalist Church creates and grows an inclusive religious community connected by love, spirit, and service.

In keeping with our mission, we are guided by these values:

Love
Spirit
Service
Community

Section 1.2 Ends

Together, we, of all ages and identities, embracing our Unitarian Universalist faith and principles:

1.2.1. Support one another through life's changes, challenges, and transitions.

1.2.2. Create safe space for people to be their authentic selves

1.2.3. Nurture community with one another, our neighborhood, and the world at large.

1.2.4. Seek out, embrace, and increase diversity in our church community.

1.2.5. Connect to the transcendent through worship and other spiritual practices.

1.2.6. Recognize the importance of beauty and music in our church, our lives, and the world around us.

1.2.7. Challenge our minds and our hearts to grow.

1.2.8. Proclaim justice in its many forms and work towards systemic change.

1.2.9. Take action toward a compassionate, sustainable, and peaceful world.

1.2.10. Ensure the continuity of our church through generosity and good stewardship.

Amendments adopted 04-25-2017

Section 2: Executive Limitations Policies

Executive Limitations Policy 2.0: General Administrative Constraints

The Senior Minister shall not cause or allow any practice, activity, decision, or congregational circumstance that is unlawful, in violation of professional ethics or commonly accepted business practices, or inconsistent with our Values.

Executive Limitations Policy 2.1: Members, Friends, and Visitors

The Senior Minister shall not cause or allow conditions or practices that are unsafe, disrespectful, or that fail to maintain appropriate confidentiality with members, friends, and visitors. Accordingly, the Senior Minister shall not:

2.1.1 Fail to provide mechanisms for communicating about congregational policies and activities and for responding to concerns and complaints.

2.1.2 Fail to maintain appropriate confidentiality of congregant information.

2.1.3 Fail to provide a reasonable level of safety, upkeep, access, and functionality, and maintain the beauty, of the facilities.

2.1.4 Fail to maintain and apply procedures to ensure the safety of congregants, children, and others while at the Church or attending Church functions.

Amendments adopted 11-15-2016

Executive Limitations Policy 2.2: Staff and Volunteers

The Senior Minister shall not cause or allow conditions that are unsafe, disrespectful, unprofessional, or illegal with respect to staff and volunteers. Accordingly, the Senior Minister shall not:

2.2.1 Discriminate, as defined by city, state, and federal laws, among existing or potential staff and volunteers.

2.2.2 Fail to provide staff with comprehensive, written, up-to-date personnel policies.

2.2.3 Fail to provide each staff person with a reasonably complete and up-to-date description of their job duties and provide regular feedback regarding the employee's job performance.

2.2.4 Prevent an employee from grieving to the Board when that employee alleges that the Board's policy is inadequate or has been violated to their detriment and internal procedures to rectify the situation have been exhausted.

Amendments adopted 11-15-2016

Financial planning for any fiscal year or remaining part of any fiscal year shall not jeopardize either programmatic or fiscal integrity of the organization. Accordingly, the Senior Minister shall not propose a budget that:

2.3.1. Deviates materially from Board priorities established in Ends Policies in the allocation among competing fiscal needs.

2.3.2. Fails to disclose planning assumptions in reasonable detail or to communicate a reasonably accurate projection of revenues and expenses, capital expenditures, and cash flow.

2.3.3. Plans the expenditure in any fiscal year of more funds than are reasonably projected to be available in that period, absent legitimate articulated reasons.

2.3.4. Results in Major Maintenance and Equipment Reserves or General Reserves falling below target levels established by the Board without suggesting a plan for Board action to replenish the reserves.

2.3.5. In the case of a deficit budget, results in a budget in which the total expected operating expenses for the year exceed total operating expenses for the prior year, and the total expected operating expenses for the year exceed 105% of expected revenues.

Amendments adopted 4-25-2017

Executive Limitations Policy 2.4: Financial Conditions and Activities

With respect to the actual, ongoing financial condition and activities, the Senior Minister shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends Policies. Accordingly, the Senior Minister shall not:

- 2.4.1. Allow actual expenditures to deviate materially from the congregationally approved budget without prior Board approval.
- 2.4.2. Borrow any amounts without prior Board approval.
- 2.4.3. Fail to establish and implement an appropriate policy for gift acceptance or rejection for both unrestricted and restricted gifts.
- 2.4.4. Accept or disburse gift income that is contrary to the church's Mission, Values, Ends and Unitarian Universalist Principles.
- 2.4.5. Disburse any designated funds in a manner inconsistent with the donor's intentions.
- 2.4.6. Create any new endowment or disestablish any existing endowment without the approval of the Board.
- 2.4.7. Disburse any endowment funds other than for the stated purposes of the endowment, with only investment earnings (including interest, dividends and capital appreciation) available for expenditure.
- 2.4.8. Fail to maintain current, accurate, financial records or to make such records available to the Board, authorized auditors or other appropriate persons as requested.
- 2.4.9. Commit the church to any contract outside of approved budget authority.
- 2.4.10. Make disbursements without approval of the Board from:
 - 2.4.10.1. Major Maintenance Reserves, and only then if such spending is for major maintenance, repair, refurbishing, or renovation of Neighborhood Church facilities or its appurtenances or for the repair or replacement of major equipment and is otherwise consistent with the requirement of Article XI of the Bylaws of Neighborhood Church.
 - 2.4.10.2. General Reserves, as per Section 3.2.5, and only then:
 - 2.4.10.2.1. For extraordinary expenses of a one-time nature; or

- 2.4.10.2.2. For any expense that is authorized by a vote of two-thirds of the members of the Board.
- 2.4.11. Fail to settle payroll, debts and other obligations in a timely manner.
- 2.4.12. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 2.4.13. Acquire, encumber, or dispose of any real property without approval of the Board.
- 2.4.14. Fail to appropriately pursue unpaid pledges after a reasonable amount of time.
- 2.4.15. Fail to aggressively pursue unpaid non-pledge receivables after a reasonable amount of time.
- 2.4.16. Fail to consult with the Board before any decision is made to use unexpected and undesignated income over the amount of \$7,500.
- 2.4.17. Fail to have an independent outside review of the church's financials conducted annually, to be completed no later than 180 days after the end of the fiscal year.
- 2.4.18. Unnecessarily expose the organization, its Board, or staff to claims of liability.

Amendments adopted 4-25-2017

Executive Limitations Policy 2.5: Asset Protection

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

2.5.1. Fail to establish and implement appropriate policies for financial risk management and investment planning, in consultation with the Finance Committee and one or more professional, independent financial advisors.

2.5.2. Fail to obtain appropriate insurance against theft and casualty loss to at least 80% of replacement value and against liability loss to Board members, staff, and the organization.

2.5.3. Allow unauthorized personnel access to material amounts of funds.

2.5.4. Subject facilities, premises, and equipment to improper wear and tear or insufficient maintenance.

2.5.5. Make purchases for the necessary repair and/or replacement of facilities or capital equipment in excess of \$25,000 without (a) competitive bids and (b) prior Board notification.

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

2.5.7. Receive, process, or disperse funds without sufficient controls.

2.5.7.1 Issuance of funds up to and including \$1,500 shall require the signature or authorization of the Senior Minister, Assistant Minister, Associate Minister, manager of operations, or any officer of the Board;

2.5.7.2 Issuance of funds over \$1,500 but below \$10,000 shall require the signature or authorization of two of the foregoing; and

2.5.7.3 Issuance of funds in the amount of \$10,000 or more shall require that at least one of the signature authorities be an officer of the Board.

2.5.8. Endanger the organization's public image or credibility.

Amendments adopted 4-25-2017

Executive Limitations Policy 2.6: Communications and Support of the Board

With respect to providing information and counsel to the Board, the Senior Minister shall not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the Senior Minister shall not:

2.6.1 Fail to submit reports and monitoring data required by the Board that are timely, accurate, and understandable, and that address board policies and the status and well-being of the Church.

2.6.2 Fail to advise the Board and provide timely reports of any actual or anticipated non-compliance with any policy of the Board, including instances where the Board may not be in compliance with its own policies.

2.6.3 Fail to provide mechanisms for official board, officer, or committee communications.

Amendments adopted 11-15-2016

Section 3: Governance Process Policies

Governance Process Policy 3.0: Global Governance Process Policy

The Board governs on behalf of the congregation in accordance with the Bylaws to advance the church's Mission and Ends and uphold its Values.

The Board facilitates the achievement of the Church's Values, Mission, and Ends in accordance with the Bylaws and the policies set forth in this Manual and is responsible for evaluating and setting policy and monitoring executive performance.

Governance Process Policy 3.1: Governing Practice

The Board will govern lawfully, observing the principles of the Policy Governance model. Accordingly, the Board will govern with an emphasis on:

3.1.1 Outward vision rather than an internal preoccupation

3.1.1.1 The Board serves in the best interest of the congregation as a whole, not in its individual parts. Board members focus outwardly on the best interests of the whole. The Board maintains a congregational vision rather than an internal preoccupation.

3.1.1.2 The Board will encourage a diversity of viewpoints.

3.1.2 Strategic leadership rather than operational management

3.1.2.1 The Board focuses chiefly on intended Ends, not on the administrative or programmatic means of attaining those Ends. The Board is an initiator of policy, not merely a reactor to initiatives from staff or others.

3.1.2.2 The Board will recognize a clear distinction between roles of the Board and Senior Minister.

3.1.3 Collective rather than individual decisions

3.1.3.1 The Board speaks with one voice. After issues have been discussed and voted upon using the democratic process, all Board members will support the decision of the Board.

3.1.3.2 No member, except the President or their designee, can speak for the Board in interactions with the public, press, or other external entities.

3.1.4 Excellence in governance

3.1.4.1 The Board enforces upon itself the discipline needed to govern effectively. Discipline applies to matters such as attendance, preparation, policy-making principles, respect for defined roles, and ensuring continuance of governance capability.

3.1.4.2 The Board will govern proactively rather than reactively, looking toward the future rather than the past.

Amendments adopted 04-25-2017

Governance Process Policy 3.2: Board Job Description

The Board acts as an informed representative of the Congregation to ensure proper governance and management. Accordingly, the Board:

3.2.1 Establishes broad written policies reflecting the congregation's values and perspectives about ends to be achieved. The Policies address:

- Values, Mission, and Ends
- Executive Limitations
- Governance Process, and
- Board-Senior Minister Linkage / Relationship.

3.2.2 Exercises Neighborhood Church's corporate powers and controls its corporate business in accordance with the Bylaws and the Policies.

3.2.3 Is accountable as a body to the congregation for competent, conscientious, and effective accomplishment of its obligations.

3.2.4 Reviews the annual budget proposed by the Senior Minister to ensure compliance with the governing Policies and presents the proposed budget to the membership for approval at the annual congregational meeting.

3.2.5 As a part of budgeting, annually establishes target levels for Major Maintenance & Equipment Reserves and the General Reserve, considering recommendations of the Senior Minister.

3.2.6 Proposes compensation for all called ministers for approval within the budget.

3.2.7 Monitors the performance of the Senior Minister against the Policies set out in the Values, Mission, and Ends and the Executive Limitations categories.

3.2.8 Monitors and discusses its own process and performance on a regular basis against the Governance Process and Board-Senior Minister Linkage/Relationship policies.

3.2.9 Has the power to establish Board committees, standing and ad hoc, to help carry out but not delegate its responsibilities, consistent with these Policies and the Bylaws.

Amendments adopted 04-25-2017

Governance Process Policy 3.3: Code of Conduct

The Board commits itself, individually and as a body, to ethical, professional and lawful conduct, to the proper use of authority, and to appropriate respect in group, and in individual, behavior. Accordingly:

3.3.1 Board members must act in the best interest of the congregation. This accountability supersedes any conflicting loyalty such as loyalty to advocacy or interest groups and membership on other boards or committees, or position as an employee outside the congregation.

3.3.2 Board members must avoid any conflict of interest with respect to their fiduciary responsibility (see Appendix A for the policy). Accordingly:

3.3.2.1 The Board shall adopt and all Trustees shall abide by a Conflict of Interest policy.

3.3.2.2 All Trustees shall annually sign an acknowledgement of the adopted Conflict of Interest policy.

3.3.2.3 Should a Board member accept employment by Neighborhood Church or act as a paid consultant, they must resign from service on the Board before becoming employed.

3.3.3 Except as the Board may otherwise require or as otherwise required by law, no Board member shall share, transmit or otherwise disclose any confidential information related to the affairs of Neighborhood Church. Each Board member will uphold the strict confidentiality of all Executive sessions and other communications designated as confidential.

3.3.4 Communication among and by Board members should be clear and respectful.

3.3.5 Concerns and inquiries by the congregation should be acknowledged expeditiously and conscientiously.

Amendments adopted 04-25-2017

Governance Process Policy 3.4: Agenda Planning

Board meeting agendas ensure that the board fulfills its governing purpose, particularly our Values, Mission, and Ends. Accordingly, the Board's agenda will include time for the Board to:

3.4.1 Monitor all Board policies pursuant to the monitoring calendar in these Policies.

3.4.2 Regularly review Board policies to ensure they reflect the congregation's current values.

3.4.3 Intentionally improve board performance through board education, enriched input, and dialogue.

3.4.4 No less than every five years, review the Ends policies in conversation with the congregation to ensure they reflect the congregation's values and vision.

Amendments adopted 02-28-2017

Governance Process Policy 3.5: Roles of Officers

The officers and their duties are defined in the by-laws. Additional roles and responsibilities of officers are as follows:

- 3.5.1. President. In the President's capacity as chair of the Board and congregation, it is the responsibility of the President to ensure the integrity of the process, consistent with the by-laws, this Manual, and any rules legitimately imposed upon the church from outside the organization. Accordingly:
 - 3.5.1.1. The President is responsible for ensuring deliberations at meetings are fair, open, and thorough, but also timely, orderly, and kept on point.
 - 3.5.1.2. The President may make decisions on behalf of the Board that fall within or are consistent with Board policies on governance process and the Board-Senior Minister relationship and to implement the Board's decisions, except where the Board specifically delegates portions of this authority to others.
 - 3.5.1.3. The President is the only person empowered to speak on behalf of the Board, representing the Board before the congregation and outside parties.
 - 3.5.1.4. The President executes all documents in the name of the church except when such authority is delegated to the Senior Minister pursuant to Section 4.2 of the Manual.
 - 3.5.1.5. The President is an ex-officio member of all Board-related committees and task forces, including advisory committees of the Senior Minister.
- 3.5.2. Vice-President. In addition to the duties assigned in the by-laws, the Vice-President shall chair the committee of the Board tasked with the annual review of the Senior Minister, serving along with other members of the committee who are appointed by the President.
- 3.5.3. Secretary. The Board shall elect a Secretary from among its members at its first meeting following the annual meeting of the congregation.
- 3.5.4. Treasurer. In addition to the duties identified in the by-laws, the Treasurer serves as ex-officio member of the Finance Committee.

Amendments adopted 02-28-2017

Governance Process Policy 3.6: The Governance Manual and Its Modification

This Manual sets forth the governing policies of Church and the Board of Trustees of the Church. The policies in this Manual supersede all policies adopted by the Board prior to the revision dates indicated for each policy. The Board will update this Manual to incorporate all new and amended policies upon their adoption.

- 3.6.1 Amendments to the policies may be approved at a Board meeting after presentation and discussion at a prior Board meeting.
- 3.6.2 A simple majority of trustees present at a duly constituted meeting of the Board is necessary to amend the policies and the Manual.

Amendments adopted 04-25-2017

Governance Process Policy 3.7: Selection and Responsibility of UUA Delegates

The Board shall be responsible for confirming delegate representatives of the Church who will be present at any scheduled Unitarian Universalist Association elections and meetings.

Amendments adopted 04-25-2017

Governance Process Policy 3.8: Complaints and Concerns

The Board has sole responsibility for addressing complaints and concerns related to governance and these policies. Accordingly:

3.8.1 The Board shall ensure that procedures to address complaints and concerns are available to the congregation and staff.

3.8.2 Complaints and concerns unrelated to policies shall be addressed by procedures developed by the Senior Minister, pursuant to Section 2: Executive Limitations Policies.

Amendments adopted 02-28-2017

Section 4: Board-Executive Linkage

Board-Executive Linkage Policy 4.0: Global Board Staff Linkage Policy

The Board defines the following policies to determine the relationship between the Board and the Senior Minister. The Bylaws provide the Senior Minister shall be responsible to the Board “for the institutional and professional management and leadership of Neighborhood Church.” Accordingly, the Board’s official connection to church operations, achievements, and conduct is solely through delegated authority to the Senior Minister.

Board-Executive Linkage Policy 4.1: Unity of Control

Only decisions of the Board acting as a whole, as stated in adopted motions at a duly constituted meeting of the Board, are binding on the Senior Minister. Accordingly:

4.1.1 Decisions or instructions of individual Board members, officers, committees, and members of the congregation are not binding on the Minister, except when the Board has specifically authorized such exercise of authority.

4.1.2 The Senior Minister may refuse requests for information or assistance that are without Board authorization.

Amendments Adopted 04-25-2017

Board-Executive Linkage Policy 4.2: Delegation

The Board delegates authority to the Senior Minister through written policies that describe the organizational Ends to be achieved and organizational situations and actions to be avoided. Accordingly, the Board shall:

- 4.2.1 Develop the organizational Ends policies instructing the Senior Minister to achieve defined results. These policies shall be developed systematically from the broadest most general level to more defined levels.
- 4.2.2 Develop Executive Limitations policies, that limit the latitude the Senior Minister may exercise in choosing the organizational means. Organizational means are all matters not addressed in Ends policies. These limiting policies shall describe those practices, procedures, decisions, and circumstances that would be unacceptable to the Board, even if they were to be effective. These policies shall be developed systematically from the broadest most general level to more defined levels.
- 4.2.3 Authorize the Senior Minister to use any reasonable interpretation of the Board's Ends and Executive Limitations policies, to establish any practices and procedures, and develop any activities. Such decisions of the Senior Minister shall have the full force and authority as if decided by the Board.

Amendments Adopted 04-25-2017

Board-Executive Linkage Policy 4.3: Accountability

All authority and accountability of paid and volunteer staff is considered by the Board to be the authority and accountability of the Senior Minister. Accordingly, the Board shall:

4.3.1 Refrain from issuing instructions to or evaluating the performance of persons, paid or volunteer, who report directly or indirectly to the Senior Minister.

4.3.2 Understand that the Senior Minister's performance reflects organizational performance, such that accomplishments of the Ends and avoidance of policy-proscribed means are viewed as successful Senior Minister performance.

Amendments Adopted 04-25-2017

Board-Executive Linkage Policy 4.4: Monitoring and Performance Measurement

Regular and systematic monitoring of the performance of the Senior Minister will be measured according to whether the organization accomplishes the Ends and operates within the Executive Limitations policies. Accordingly, the Board shall

- 4.4.1 Monitor the Senior Minister through data that are acquired by any of the following means:
 - 4.4.1.1 Internal reports, which are provided by the Senior Minister to the Board;
 - 4.4.1.2 Direct examination, in which one or more Board members designated by the Board President or the Board as a whole assess compliance by, for example, observation or tools such as a congregation survey; and
 - 4.4.1.3 External reports, in which an external, disinterested third party selected by the Board assesses compliance with the Ends and Executive Limitations policies.
- 4.4.2 Adhere to a standard of compliance that allows any reasonable interpretation by the Senior Minister of the policy being monitored.
- 4.4.3 Monitor the Senior Minister at a frequency and method chosen by the Board; while the Board can monitor any policy at any time by any method, it will ordinarily follow the schedule found in Appendix B, Schedule of Policy Monitoring.

Amendments Adopted 04-25-2017

APPENDIX A

NEIGHBORHOOD UNITARIAN UNIVERSALIST CHURCH OF PASADENA

CONFLICT OF INTEREST POLICY

Article I: Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of Neighborhood Unitarian Universalist Church of Pasadena (the "Church") and to protect the Church's interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of a director, a corporate officer, the top management or top financial official, or a key employee, as defined below.

Article II: Definitions

1. The following are considered *Interested Persons* under this policy:
 - a. Each member of the Board of Trustees
 - b. The minister(s); president; treasurer, chief financial officer, and members of the Finance Committee; operations manager/director and executive director, and any person with the responsibilities of any of these positions, whether or not the person is an officer of the Church under its Bylaws and the California Corporations Code.
 - c. Any *key employee*, meaning an employee whose total annual compensation (including benefits) from the organization and its affiliates is more than \$150,000 **and** who (a) has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or** (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or** (c) has or shares authority to control 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.
 - d. A relative or family member who is related by blood, marriage, or through a domestic partnership to any of the above persons is also an interested person.
2. *Interest* means any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the Church, a sale, loan, or exchange transaction with the Church.
3. A *conflict of interest* is present when, in the judgment of the Board of Trustees, an insider's stake in the transaction is such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the Church.
4. *Transaction* means any transaction, agreement, or arrangement between an insider and the Church, or between the Church and any third party where an insider has an interest in the transaction or any party to it. *Transaction* does not include compensation arrangements between the Church and a minister, officer, or other

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insider that are wholly addressed under the Church's compensation policy.

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Article III: Procedures

1. Duty to Disclose

Each insider shall disclose to the Board of Trustees all material facts regarding his or her interest in the transaction, promptly upon learning of the proposed transaction.

2. Determining Whether a Conflict of Interest Exists

With regard to an insider, the Board shall determine if a conflict of interest exists. The insider(s) and any other interested person(s) involved with the transaction shall not be present during the Board's discussion or determination of whether a conflict of interest exists, except as provided in Article IV below.

3. Procedures for Addressing a Conflict of Interest

The Board shall follow the procedures set forth in Article IV in order to decide what measures are needed to protect the Church's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate.

Article IV: Review by the Board

The Board may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), but shall deliberate and vote on the transaction in their absence. The Board shall ascertain that all material facts regarding the transaction and the insider's conflict of interest have been disclosed to the Board and shall compile appropriate data, such as comparability studies, to determine fair market value for the transaction.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in the Church's best interest, for its own benefit, and whether it is fair and reasonable to the Church; the majority of disinterested members of the Board then in office may approve the transaction.

Article V: Records of Proceedings

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each insider who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Board who were present during the deliberations on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how

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the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

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Article VI: Annual Disclosure and Compliance Statements

Each director, each corporate officer, each minister, the top financial official, and each key employee of the Church, shall annually sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
- discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

Article VII: Violations

If the Board has reasonable cause to believe that an insider of the Church has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Board determines that the insider has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

Article VIII: Annual Reviews

To ensure that the Church operates in a manner consistent with its status as an organization exempt from federal income tax, the Board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

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NEIGHBORHOOD UNITARIAN UNIVERSALIST CHURCH OF PASADENA

**CONFLICT OF INTEREST POLICY:
ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT**

Neighborhood Unitarian Universalist Church of Pasadena (the "Church") has adopted a conflict of interest policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering a transaction or arrangement that might benefit the private interest of a director, a corporate officer, our top management official and top financial official, or any of our key employees.

Part I. Acknowledgment of Receipt

I hereby acknowledge that I have received a copy of the conflict of interest policy of Neighborhood Unitarian Universalist Church of Pasadena (the "Church") have read and understood it, and agree to comply with its terms.

Signature

Date

Printed Name

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Part II. Disclosure of Financial Interests

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, we need each officer, director and key employee to disclose the information requested in this Part II.

A "conflict of interest," for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

<p>Part II Please check ONE of the following boxes:</p> <p><input type="checkbox"/> My interests and relationships have not changed since my last disclosure of interests. [Proceed to signature block below. Do not complete the tables.]</p> <p style="text-align: center;">OR</p> <p><input type="checkbox"/> I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]</p>											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: black; color: white;">Family Relationships</th> <th style="background-color: black; color: white;">Names of those presenting a potential conflict of interest</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/domestic partners of brothers, sisters, children, grandchildren, and great grandchildren </td> <td style="width: 65%;"></td> </tr> </tbody> </table>	Family Relationships	Names of those presenting a potential conflict of interest	Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/domestic partners of brothers, sisters, children, grandchildren, and great grandchildren								
Family Relationships	Names of those presenting a potential conflict of interest										
Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/domestic partners of brothers, sisters, children, grandchildren, and great grandchildren											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: black; color: white;">Type of interest</th> <th style="background-color: black; color: white;">Description of interest that could lead to a conflict of interest</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Transactions or arrangements with the Church</td> <td></td> </tr> <tr> <td style="padding: 5px;">Transactions or affiliations with other nonprofit organizations</td> <td></td> </tr> <tr> <td style="padding: 5px;">Substantial business or investment holdings</td> <td></td> </tr> <tr> <td style="padding: 5px;">Transactions or affiliations with businesses not listed above</td> <td></td> </tr> </tbody> </table>		Type of interest	Description of interest that could lead to a conflict of interest	Transactions or arrangements with the Church		Transactions or affiliations with other nonprofit organizations		Substantial business or investment holdings		Transactions or affiliations with businesses not listed above	
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<p><input type="checkbox"/> I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.</p>											
<p>_____ Signature</p>	<p>_____ Date</p>										
<p>_____ Printed Name</p>											