



THE UNITED CHURCH OF CANADA

CANADIAN MEMORIAL CHURCH
& CENTRE FOR PEACE

Board Governance Policies

Canadian Memorial United Church

Board Policy Statement

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Canadian Memorial United Church

001 “Policy Governance®” Model

As of March 9, 2006

“For as in one body we have many members, and not all the members have the same function, so we, who are many, are one body in Christ and individually we are members one of another.” (Romans 12: 4-5)

Governance

The organizational model of the congregation shall be the Policy Governance® Model as outlined and expressed in this Governance Document. This is in accordance with the MANUAL Section 279.

002 Preamble:

We gather in Christ’s name “who though he was in the form of God, did not count equality with God a thing to be exploited, but emptied himself, in the form of a servant.” (Philippians 2:6-7) As followers of Jesus Christ, we are his body, the visible presence of Christ in the world, the church. The church gathers, equips and sends out all people to participate in the ministry of Jesus Christ in the world. The MINISTER and MINISTRY TEAM are called by God to *equip* the CONGREGATION for this ministry.

Policy Governance® was developed by John Carver, and is outlined in his books *Boards That Make A Difference*, *Reinventing Your Board*, and other of his writings. This model is a complete, universal theory of governance especially for “servant-leadership” organizations such as non-profit groups and public institutions (hospitals, school boards, etc.) The Policy Governance® Model is applicable to and has been implemented by many churches across North America. Several United Churches in Canada have implemented the model either in whole or in part, and many more are considering and studying it.

It is our belief that Policy Governance® is an effective form of governance, as it will free up church leaders to use their spirit-given gifts, discern the will of God, and implement decisions with minimal bureaucracy and time-consuming meetings. It will also free up more of the people of the congregation from running the church to allow them to exercise their own ministry by growing in their faith through small groups or discipleship classes, and taking part in outreach or social justice projects in the community and throughout the world.

003 How does Policy Governance Work?¹

The CONGREGATION entrusts the BOARD to carry out the mission, vision, and goals of the CONGREGATION. If the CONGREGATION does not achieve what it wants to achieve then ultimately the BOARD is responsible. But a group that only meets for two hours once a month cannot possibly do all the work that is required. The BOARD,

¹ Adapted from “Policy Governance and Power” by Doug Goodwin, United Church of Canada BC Conference Publication, © 2002 United Church of Canada.

therefore, divides the work into two basic components: Ends (The actual ministry of the congregation, known as “Ministry”) and Means (the particular way the Ministry will be achieved).

Work on Ends (“Ministry”) is kept solely in the BOARD’s hands. This is the work of ensuring that all the members and interested persons in the CONGREGATION are heard, and that God is listened to and addressed through prayer and the study of Scripture. This is in order to determine what direction the CONGREGATION should be going, what its needs, hopes, dreams, worries, and visions are. Based on that hearing process, the BOARD then lays out clearly and in written form what direction and goals it will pursue. It starts doing this broadly, based on the CONGREGATION’s Mission Statement and Core Values, then narrows down to be more specific. *It is disciplined in not saying how it will achieve these things but only what it wants achieved.*

BOARD then takes a look at the Means (“how do we actually do this?”) This “how to” work is assigned, along with a budget, to the MINISTER with written policies outlining the expectations for how the work will be done and what standards will be followed. These policies include a list of the values the work shall follow, as well as the standards for work in such areas as personnel, budgeting, the protection of assets, treatment of BENEFICIARIES, etc. Before even starting to undertake work, the expectations of the BOARD are known to the MINISTER. These policies are monitored regularly by the BOARD to ensure they are being followed.

Within the limitations imposed by the BOARD and directed by the Ministry Policies, the MINISTER is free to use his or her gifts to accomplish what has been asked. Within the budgetary constraints imposed, staff are hired, directed, an office is maintained, programs are initiated, committees or teams are struck or disbanded. Just as power was delegated from the BOARD to the MINISTER, so power is further delegated by the MINISTER to staff, committees or teams using the same discipline of stating the Ministry to be achieved and the limitations in which to work. Clear about the extent of their power and the goals to be achieved, the staff, committees or teams can exercise their gifts with imagination and passion.

004 Compliance with United Church Law

This structure is in compliance with the Manual of the United Church of Canada, (“MANUAL”), either in actual provisions, or in the spirit in which the MANUAL was developed and written, and is striving for the same ends as the MANUAL provides.

005 Congregational Requirements

1. The CONGREGATION shall meet at least annually, in accordance with the requirements of the MANUAL.
2. The CONGREGATION shall be constituted according to the requirements of the MANUAL sections 104 and 113-116.
3. The CONGREGATION will elect a BOARD as its spiritual leaders according to the requirements of the MANUAL sections 130-136. NOMINEES will be duly screened and interviewed by the BOARD.
4. Every year three BOARD members will be elected for a 3-year term.

5. All of the authority of the CONGREGATION between annual meetings is delegated to the BOARD apart from the exceptions noted in this Governance Document.
 - a. Amendments to BOARD Policies may be made between annual meetings of the CONGREGATION, and acted upon.
6. The CONGREGATION has the right to appeal any decision of the BOARD to the Presbytery. Such appeal must be made in writing.
7. The CONGREGATION will approve the following annually:
 - a. All new BOARD Ministry Policy
 - b. All Annual Financial Statements
 - c. An annual budget.
8. The CONGREGATION will elect Trustees and Presbytery Representatives according to the requirements of the MANUAL.
 - a. If the CONGREGATION is unable to fulfill this duty, it shall fall to the BOARD to appoint individuals as Trustees or Presbytery Representatives.

006 Approval by the Congregation: At the congregational meeting of June 18, 2006, it was moved by Don Seaton and seconded by Dorothy Buckland that the congregation approves and adopts the BOARD GOVERNANCE POLICY as approved by the BOARD and presented at the Annual Congregational meeting. [CARRIED].

Canadian Memorial United Church

050 Definitions

BOARD *means*

The group of people called and duly elected as *elders* of Canadian Memorial United Church, along with the MINISTER. In accordance with the MANUAL Section 130: “Elders are those persons of the Pastoral Charge or Congregation who are chosen by the Pastoral Charge or Congregation for their wisdom, caring, spiritual discernment, and other gifts of the Spirit, and to whom the responsibility of leadership amongst the whole people is entrusted as appropriate by and within a particular community of faith.”

CHURCH *means*

Canadian Memorial United Church, a congregation of the United Church of Canada, also known as Canadian Memorial Church & Centre for Peace.

MINISTER *means*

The Minister of Word, Sacrament and Pastoral Care, duly called, ordained and settled in the congregation of Canadian Memorial United Church.

STAFF *means*

The paid accountable ministry personnel team, consisting of the Minister of Word Sacraments and Pastoral Care, the Minister of Pastoral Care, the Minister of Music, and those persons entrusted with the Ministry of Administration, and any other paid accountable ministry personnel as may be added.

MINISTRY TEAMS *means*

Teams formed under the accountability of the MINISTER

CONGREGATION *means*

The members and adherents of, and occasional worship visitors to Canadian Memorial United Church, along with the STAFF. (“Members” and “Adherents” are defined in the MANUAL section 001.)

OWNERSHIP *means*

1. The CONGREGATION who are called by God in Christ into ministry in the world, the members of which appoint and elect the BOARD
2. The United Church of Canada and its courts with whom the CONGREGATION are partners in ministry.

BENEFICIARIES *means*

The CONGREGATION along with those persons who are recipients of the outreach, social justice and other ministries of the CONGREGATION. Beneficiaries also includes all of creation, human and other, to whom the CONGREGATION is called to proclaim and enact the Gospel of Jesus Christ.

MANUAL *means*

The current Manual of the United Church of Canada.

Canadian Memorial United Church

Board Policy Statement

Ministry

100 Global Ministry Policy

Policy Type: Ministry

Adoption Date: February 16, 2006

Modification Date:

Canadian Memorial United Church:

1. Is a progressive Christian community growing year after year in faith, discipleship and transformed lives.
2. Acts upon our Core Values.
3. Worships together as a spiritual practice, for inspiration and as a nurturing community.
4. Does this within the resources and priorities approved by the congregation.

Canadian Memorial United Church

Board Policy Statement

105 Ministry Priorities

Policy Type: Ministry
 Adoption Date: March 13, 2007
 Modification Date: June 13, 2007

➤ **From Policy Statement 100-1 “Global Ministry Policy” which states:**

“Canadian Memorial United Church:

1. *Is a progressive Christian community growing year after year in faith, discipleship and transformed lives.”*

A. Our Priority objective is that:

1. By June 2010 Canadian Memorial United Church will have an average weekly participation by at least 300 members/adherents in a way that shows growth in faith, discipleship and transformed lives, and that this number increase by 10% annually.
2. By June 2010 Canadian Memorial United Church will have 250 active members on its rolls, and that this number increase by 5% annually.
3. Before June 2010 Canadian Memorial United Church be moving towards meeting the above objectives in a significant way.

➤ **From Policy Statement 100-1 “Global Ministry Policy” which states:**

“Canadian Memorial United Church:

2. *Acts upon our Core Values.”*

B. Our Priority objective is that:

1. That annually we engage our OWNERSHIP with at least two major events that promote Peace.
2. That annually we engage our OWNERSHIP with at least two major events that promote Justice.
3. That annually we engage our OWNERSHIP with at least two major events that promote Reverence.
4. That annually we engage our OWNERSHIP with Stewardship so that our offerings increase at 3% above the rate of inflation.
5. That annually we engage our OWNERSHIP with at least two major events that promote Fun.

Canadian Memorial United Church

Board Policy Statement

110 Core Values

Policy Type: Ministry
Adoption Date: February 16, 2006
Modification Date:

We are committed to:

- Peace:** We promote peace, in ourselves, our relationships, and our world.
- Justice:** Working for justice is central to the peace of Christ.
- Diversity:** We honour personal, cultural and religious diversity as God's will.
- Innovation:** We are open to creative change as the Spirit prompts us.
- Equality:** We have equal, but different, gifts, as members of Christ's body.
- Reverence:** We treat the earth and all creation as sacred gifts of God.
- Stewardship:** We give back to God a portion of our time, talent, and money.
- Integrity:** We act on our commitments and beliefs.
- Fun:** We cultivate joy in our relationship with God and each other.

Canadian Memorial United Church

Board Policy Statement

115 Foundational Principles for Growth

Policy Type: Ministry
Adoption Date: February 16, 2006
Modification Date:

Our Foundational Principles for growth are:

1. **Biblical literacy**
We take the Bible seriously, not literally, as our source of inspiration and guidance. We encourage and affirm Biblical literacy. As Scripture is set in historical context and understood as metaphor and sacrament it is revelatory.
2. **Discipleship**
We are disciples of Jesus, the Christ. Our spiritual life is formed in continual dialogue and loving relationship with the living Christ. We encourage all to intentionally cultivate this relationship.
3. **Lay Ministry**
We believe that all are called into ministry by God. We support and equip lay ministers to discover and use their distinctive gifts for ministry.
4. **Gift-based ministry**
We do ministry based upon our spiritual gifts. Through the use of a spiritual gift inventory we encourage all to base their ministry in their spirit-given gifts.
5. **Diversity**
We welcome and include all persons in our faith community, without discrimination on the basis of race, national or ethnic origin, gender, sexual orientation, age, mental or physical disability. We respect and encourage diversity of opinion.
6. **Prayer**
We seek God's will through prayer in all of our programs, groups, and ministries. We encourage all to have daily prayer practices.
7. **Evangelism**
We believe that the love of God is persuasive and never coercive. We openly share our excitement of what God is doing in our midst, and celebrate what God is doing in other religious faiths as well. We encourage all to share their faith with others.

Canadian Memorial United Church

Board Policy Statement

120 Our Faith

Policy Type: Ministry
Adoption Date: February 16, 2006
Modification Date:

Our Faith is:

1. Faith

Faith is less about believing the “right” things, and more about a way of life which is based in radical trust in God, a guiding vision of a just and peaceful world, and a conscious allegiance to God as revealed by Jesus, the Christ.

2. Progressive

By calling ourselves “progressive”, we mean that we are Christians who...

- a. Have found an approach to God through the life and teachings of Jesus.
- b. Recognize and celebrate that there are other valid paths to God; these paths are true for those who pursue them as our path is true for us.
- c. Invite all people to participate in our community and worship life together without insisting that they become like us in order to be acceptable (including but not limited to)
 - believers and agnostics
 - sceptics
 - women and men
 - those of all sexual orientation and gender identities
 - those of all races and cultures
 - those of all classes and abilities.
- d. Know that how we behave toward one another is more important than what we believe, and that how we treat each other is the fullest manifestation of what we believe.
- e. Find more grace in the search for understanding than we do in dogmatic certainty; living the questions is more important than having the answers.
- f. Form ourselves into communities dedicated to equipping one another for the work we feel called to; striving for peace and justice among all people, protecting and restoring the integrity of all God’s creation, and bringing hope to those Jesus called the least of his brothers and sisters.
- g. Celebrate Scripture as our primary source of inspiration and guidance, recognizing that we meant to take it seriously but not literally. As well we do not regard the New Testament as being in anyway superior to, or the fulfillment of, the First Testament. The Jewish narratives and history found in the First Testament are employed by the earliest disciples and by subsequent generations of Christians to make meaning of the life, death, and resurrection of Jesus; this meaning is enriched by our Jewish roots, but does not replace it.

- h. Understand the sharing of bread and cup in Jesus' name to be a representation of an ancient vision of God's feast for all peoples, and is therefore open to all.

3. **God**

God is the unnameable Source of All, the Eternal Loving Presence, Creator of All, Within All, known in and through creation, yet Beyond All, transcending our understanding, revealed for Christians most fully in Jesus of Nazareth.

4. **Jesus, the Christ**

Jesus is God's heart, for us and with us. Through him we know God as loving, compassionate Presence. Through his life, death, and resurrection we learn the way of peace.

5. **The Spirit**

The Holy Spirit is the Spirit of the living Christ, revealing God's will and empowering the church to do God's will. The Holy Spirit works within us to transform us in the image of the Christ and works within the world at large to lead us toward God's future.

6. **The Bible**

The Bible is the written witness of God's people through time. It is written by human beings from within a particular social-political context and worldview. As we deepen our appreciation of this context, the Biblical narrative becomes for us a source of inspiration and guidance.

7. **Church**

The church is the community of people who covenant with God and with each other to faithfully follow the way of the Christ and thereby witness to peace and justice.

8. **Human Beings**

As humans we are bio-spiritual beings, biologically constructed by the elements of the earth, and spiritually made in God's image. Therefore we are intimately connected both to our Creator, being made in God's image, and to all living creatures, being made from the same cosmic elements of the earth. Consciously aware of the gift of life and the human capacity for harm, we have a heightened responsibility to ensure the continuation of life on this planet, and to promote justice and peace in the human realm and with Creation.

9. **Sin**

Sin is a state of alienation from God, self, the earth, and others. We believe in original blessing more than original sin, and yet we have fallen from grace. As we turn our lives toward Jesus Christ, we remember the original blessing, and receive the power and grace to begin the journey of healing these relationships and to give our lives in the service to others.

Canadian Memorial United Church

Board Policy Statement

125 Peace

Policy Type: Ministry
Adoption Date: February 16, 2006
Modification Date:

As a memorial congregation, the pursuit of peace is central to our mission.

Peace includes, but is more than an inner feeling. It includes, but is more than the absence of war.

Peace is God's dream for a creation which is just, thriving, and sustainable.

Peace is learning to communicate non-violently with one another.

Peace means treating the "more-than-human" world with reverence.

Peace means developing an economic system which is equitable and respectful of the earth.

Peace means developing political systems which are truly democratic and inclusive of the marginalized.

Peace flows from our conscious unity with God, and from our conscious unity with the earth. As we cultivate these relationships our capacity to be peace-makers is deepened.

God calls us all to be makers of peace.

Canadian Memorial United Church

Board Policy Statement

BOARD-MINISTER Relationship

200 MINISTER Relationship

Policy Type: BOARD-MINISTER Relationship

Adoption Date: December 8, 2005

Modification Date:

- A. The Board's sole official connection to congregational organization, operation and work will be through the MINISTER.**
1. All BOARD authority delegated to the congregational organization, operation and work is delegated through the MINISTER, so that all authority and accountability for the congregational organization, operation and work is considered to belong to the MINISTER except that which properly belongs to the Board as provided by Sections 221 & 223 of the MANUAL.
 2. The MINISTER is accountable to the BOARD for achieving provisions of the BOARD's "Ministry" policies and adhering to provisions of the BOARD's Executive Limitations policies.
 3. Monitoring data that disclose the degree of organizational performance upon "Ministry" policies and Executive Limitations policies will be systematically gathered by the BOARD and considered to be the only evaluation of the MINISTER's performance.
 4. The MINISTER shall be directed by the Board only through written policies which describe the Ministry to be achieved and the Executive Limitations to actions.
 - a. Decisions or instructions of individual Board members, committees or teams are not binding on the MINISTER except when explicitly authorized by the Board.
 5. The MINISTER shall be responsible for:
 - a. carrying out the policies of the Board
 - b. reporting on compliance with Board policies
 - c. providing all appropriate information for Board decision-making.
 - d. ensuring the requirements of the MANUAL and published policies of higher church courts are met.
 6. The MINISTER shall be called/appointed, supervised and released following United Church of Canada policies outlined in the MANUAL.
 7. All authority and accountability of the MINISTRY TEAMS is considered the authority and accountability of the MINISTER.

Canadian Memorial United Church

Board Policy Statement

210 MINISTER Delegation of Authority

Policy Type: BOARD-MINISTER Relationship

Adoption Date: December 8, 2005

Modification Date:

➤ **From Policy Statement 200-1 “MINISTER Relationship” which states:**
“All BOARD authority delegated to the congregational organization, operation and work is delegated through the MINISTER, so that all authority and accountability for the congregational organization, operation and work is considered to belong to the MINISTER except that which properly belongs to the Board as provided by Sections 221 & 223 of the MANUAL.

1. The BOARD will direct the MINISTER to achieve specified results, for specified recipients, at a specified worth by establishing Ministry policies. The BOARD will limit the latitude the MINISTER may exercise in practices, methods, conduct, and other “means” by establishing Executive Limitations polices.
2. As long as the MINISTER uses *any reasonable interpretation* of Ministry and Executive Limitations policies, the MINISTER is automatically authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.
3. The BOARD may change its Ministry and Executive Limitations policies, thereby shifting the boundary between BOARD and MINISTER domains. But so long as any particular delegation is in place, the BOARD and its members will respect and support the MINISTER’s choices. This does not prevent the BOARD from obtaining information in the delegated areas.
4. Only decisions of the BOARD acting as a body are binding upon the MINISTER. Decisions or instructions of individual BOARD members, officers, or committees are not binding, except in rare instances where the BOARD gives specific authorization. If BOARD members or committees require information or assistance without BOARD authorization, the MINISTER can refuse such requests that require – in the MINISTER’s judgment – a material amount of staff time or funds, or that are disruptive.

Canadian Memorial United Church

Board Policy Statement

220 MINISTER Monitoring Performance

Policy Type: BOARD-MINISTER Relationship

Adoption Date: December 8, 2005

Modification Date:

A. The organizational achievement of “Ministry” policies and the adherence to “Executive Limitation” policies constitute the sole grounds for the BOARD’s monitoring of the MINISTER.

1. Monitoring is simply to determine the degree to which BOARD polices are being met. Data that does not do this will not be considered to be monitoring data.
2. The BOARD will acquire monitoring data by one or more of three methods: (i) internal report, by which the MINISTER discloses compliance information to the BOARD. (ii) external report, in which an external third party selected by the BOARD assesses compliance with the BOARD’s policies; and (iii) by direct BOARD inspection, in which a designated member or members of the BOARD assesses compliance with the BOARD policies.
3. In every case, the standard for compliance shall be any reasonable interpretation by the MINISTER of the policy being monitored.
4. All policies that instruct the MINISTER will be monitored regularly and rigorously, at a frequency and by a method chosen by the BOARD. Any policy can be monitored at any time by any method, but ordinarily a routine schedule will be followed.

Canadian Memorial United Church

Board Policy Statement

230 MINISTER Monitoring Schedule

Policy Type: BOARD-MINISTER Relationship

Adoption Date: December 8, 2005

Modification Date: February 7, 2007

At each regular meeting the MINISTER will present an analytical report detailing compliance to each Ministry policy and to scheduled Executive Limitation policies.

POLICY	METHOD	FREQUENCY
All Policies	external	at the time of each Presbytery oversight visit
All Ministry Policies	internal	ongoing, and June
Executive Limitations Policies:		
General MINISTER Lim's.	internal	September
Treatment of Beneficiaries	internal	April
Treatment of Staff	internal	November and May
Communication & Support	direct	ongoing
Budgeting	internal	May
Financial Condition	internal	March, June, Sept, Nov.
FINANCIAL CONDITION	external	September
Protection of Assets	internal	October
Legacy Fund	internal/external	January/September
Manse Fund	internal/external	January/September
Commercial Relations	internal	February

Canadian Memorial United Church

Board Policy Statement

Executive Limitations

300 General MINISTER Limitations

Policy Type: Executive Limitations

Adoption Date: November 10, 2005

Modification Date:

- A. The MINISTER shall not cause or allow any practice, activity, decision or organizational circumstance which is either unlawful, imprudent, contrary to the requirements of the MANUAL or the United Church of Canada, or in violation of commonly accepted business and professional ethics.**
1. No decisions shall be taken which properly belong to Board as provided by Sections 221 & 223 of the MANUAL.
 2. Dealings with the STAFF, and BENEFICIARIES shall not be inhumane, unfair or disrespectful.
 3. The MINISTER shall not permit the BOARD to be uninformed or unsupported in its work.
 4. Budgeting shall not deviate significantly from Board “Ministry” priorities, risk fiscal jeopardy nor fail to show a generally acceptable level of foresight.
 5. Actual financial conditions at any time shall not incur fiscal jeopardy or compromise Board “Ministry” priorities.
 6. Assets may not be unprotected, inadequately maintained or unnecessarily risked.
 7. The MINISTER may not enter into any grant or contractual arrangements that fail to emphasize primarily the MINISTRY of the CHURCH and, secondarily, the avoidance of unacceptable means.

Canadian Memorial United Church

Board Policy Statement

320 Treatment of Beneficiaries

Policy Type: Executive Limitations
Adoption Date: November 10, 2005
Modification Date:

- **From Policy Statement 300-2 “General MINISTER Limitations” which states: *Dealings with... the BENEFICIARIES shall not be inhumane, unfair or disrespectful.***

Accordingly, the MINISTER shall not:

1. Fail to comply with privacy and personal information protection laws of the provincial government of BC and the federal government of Canada.
2. Disclose personal information without the consent of those persons to organizations or persons outside of the United Church of Canada except when mandated or allowed to do so by law.
3. Fail to take all reasonable measures to ensure the safety of BENEFICIARIES using the CHURCH’s building or contents either for the CONGREGATION’s own ministry or other use.
4. Fail to establish an adequate communications plan to inform BENEFICIARIES of what services and ministries are available from the CHURCH, and shall not fail to carry out this plan.

Canadian Memorial United Church

Board Policy Statement

325 Staff Relations

Policy Type: Executive Limitations
Adoption Date: March 9, 2006
Modification Date:

- **From Policy Statement 300-2 “General MINISTER Limitations” which states: *Dealings with the STAFF ... shall not be inhumane, unfair or disrespectful.***

Accordingly, the MINISTER shall not:

1. Fail to comply with the MANUAL or applicable laws of the provincial government of BC and the federal government of Canada with respect to STAFF.
2. Fail to provide clear expectations of job duties and responsibilities;
3. Fail to work collaboratively with the Ministry & Personnel Committee (“M&P”), and to provide M&P with the information they require .

Canadian Memorial United Church

Board Policy Statement

330 Communication and Support to the Board

Policy Type: Executive Limitations

Adoption Date: October 13, 2005

Modification Date:

- **From Policy Statement 300-3 “General MINISTER Limitations” which states: *The MINISTER shall not permit the BOARD to be uninformed or unsupported in its work.***

Accordingly, the MINISTER shall not:

1. Permit information and advice to the Board to have significant gaps in timeliness, completeness or accuracy.
 - a. Let the BOARD be unaware of relevant trends, significant national policy changes, anticipated adverse media coverage, or significant changes among the OWNERSHIP or BENEFICIARIES, particularly changes in the assumptions upon which any BOARD policy has previously been established.
 - b. Fail to provide for the BOARD as many STAFF and external points of view, issues and options as needed for fully informed BOARD decisions.
 - c. Neglect to submit monitoring data required by the BOARD in a timely, accurate, and understandable fashion, directly addressing provisions of BOARD policies being monitored.
 - d. Present information in unnecessarily complex or lengthy form.
2. Fail to advise the BOARD if, in the opinion of the MINISTER, the BOARD is not in compliance with its own policies.
3. Fail to report in a timely manner any actual or anticipated non-compliance with any policy of the BOARD.
4. Fail to supply for the BOARD’s agenda any item required by law or the MANUAL to be approved by the BOARD.
5. Fail to report all received correspondence directly addressed to the BOARD or its officers; or fail to present for consideration any correspondence on matters falling within the job description of the BOARD.
6. Fail to include the BOARD in any public press release mailing.
7. Fail to provide adequate financial and personnel resources for the work of the BOARD.

Canadian Memorial United Church

Board Policy Statement

340 Budgeting

Policy Type: Executive Limitations
Adoption Date: Approved October 13, 2005
Modification Date:

- **From Policy Statement 300-4 “General MINISTER Limitations” which states:** *Budgeting shall not deviate significantly from Board “Ministry” priorities, risk fiscal jeopardy nor fail to show a generally acceptable level of foresight.*
1. The MINISTER shall not fail to present a viable budget for the next fiscal year to the BOARD each year by May 30th for approval.
 2. The budget format shall not deviate from generally accepted accounting principles and practices.
 3. Budgets shall reflect a commitment to the long-range sustainability of the work of the CONGREGATION.
 4. Budgets will neither jeopardize, reprioritize, nor be inconsistent with the BOARD’s “Ministry” policies.
 5. Revenues and expenditures are not to be budgeted without reference to past experience and to realistic projections.
 6. No budget shall be presented where expenditures are greater than a combination of revenue and other funds available for use in the CONGREGATION’s operating budget.
 7. Restricted funds will not be used for purposes other than those specified by the funds’ terms of reference.
 8. Budgets will not transfer revenues or expenditures from other funds if the terms of the funds disallow such transfers.
 9. Information to the BOARD shall not lack sufficient detail to enable the BOARD to assess the viability of the budget, nor will it exclude an articulated list of planning assumptions.

Canadian Memorial United Church

Board Policy Statement

350 Financial Condition

Policy Type: Executive Limitations
Adoption Date: November 10, 2005
Modification Date: December 8, 2005

- **From Policy Statement 300-5 “General MINISTER Limitations” which states:** *Actual financial conditions at any time shall not incur fiscal jeopardy or compromise Board “Ministry” priorities.*

Accordingly, the MINISTER will not:

1. Allow the expenditure of funds by the end of the fiscal year to exceed anticipated unencumbered revenue for the same period of time.
2. Allow funds to unduly accumulate without being used for the purposes for which they were established.
3. Borrow money for the operations of the CONGREGATION.
4. Fail to pay all liabilities for payroll, suppliers, and taxes as due.
5. Allow expenditures to deviate significantly from priorities as established by the BOARD.
6. Allow any significant budget variance to remain unreported nor unexplained.
7. Fail to notify the Board when revenues from offerings fall significantly below the same level of revenue at the same time the previous year.
8. Fail to seek sound financial advice, on an ongoing basis, from a team of financial experts.
 - a. The Finance Team shall have no power to act, nor authority over the MINISTER.
 - b. The acts, minutes, and proceedings of the Finance Team meetings may be called upon by Board at any time to monitor MINISTER performance.
 - c. Such MINISTER monitoring may only be against established BOARD Ministry and Executive Limitations policies.
9. Fail to advise the BOARD about any concerns raised by the external auditor or the plan the MINISTER proposes to answer those concerns.

Canadian Memorial United Church

Board Policy Statement

360 Protection of Assets

Policy Type: Executive Limitations
Adoption Date: October 13, 2005
Modification Date:

- **From Policy Statement 300-6 “General MINISTER Limitations” which states:** *Assets may not be unprotected, inadequately maintained or unnecessarily risked.*

Accordingly, the MINISTER shall not:

1. Fail to insure assets against loss by fire and theft less than 100% of replacement cost, and by earthquake less than 90% of replacement cost.
2. Place any bank account with an institution which is not insured by the Canadian Deposit Insurance Corporation or Credit Union Stabilization Fund.
3. Invest or hold capital in insecure instruments.
4. Exclude any asset or group of assets over \$1,000 from a register of assets.
5. Receive, process or disburse funds under controls which are insufficient to meet the BOARD-appointed auditor’s accepted standards.
6. jeopardize the intellectual property, information and files through loss, theft, significant damage or unauthorized duplication.
7. Jeopardize the charitable tax receipt status of the CHURCH.
8. Acquire, encumber or dispose of real property.
9. Unnecessarily expose the BOARD to claims of liability.
10. Endanger the CHURCH’s public image or credibility, particularly in ways that would hinder the accomplishment of its mission.
11. Fail to comply with the terms of the insurance policies that protect the assets of the CHURCH.

Canadian Memorial United Church

Board Policy Statement

365 Legacy Fund

Policy Type: Executive Limitations
Adoption Date: March 9, 2006
Modification Date:

- **Further to Policy Statement 350 “General MINISTER Limitations – Financial Condition”**
- **Further to Policy Statement 360 “General MINISTER Limitations – Protection of Assets.”**

Accordingly, with respect to the Legacy Fund, the MINISTER shall not:

1. Fail to invest and keep invested such funds, gifts, donations, bequests and property as set out in the attached Legacy Fund Terms of Reference.
2. Fail to invest according to the BC Trustee Act and to follow the “Prudent Investor” guidelines for investments.
3. Fail to establish suitable risk and return objectives where tolerance with the primary objective is capital preservation and the secondary objectives, in order of priority, income generation and preservation of purchasing power.
4. Fail to ensure that income and capital are paid out only in accordance with the Legacy Fund Terms of Reference.
5. Fail to ensure that any payment out of the Legacy Fund (other than the purchase of investments within the Fund) be payable only to Canadian Memorial United Church and deposited into our general account, except for a final dissolution when the Legacy Fund shall be paid out in accordance with the Manual.
6. Fail to ensure that there are at least three signatories on the Legacy Fund account where at least one is a member of the BOARD and none of whom are related, and that direction on the account requires at least two signatures to be valid.
7. Fail to ensure that the Legacy Fund Terms of Reference is amended only upon a meeting of the Congregation after proper notice, at which a resolution is passed by a three-quarters majority approving any such amendment.
8. Fail to retain investment counsel with suitable experience to carry out the investment program.

Canadian Memorial United Church

Board Policy Statement

366 Manse Fund

Policy Type: Executive Limitations
Adoption Date: March 9, 2006
Modification Date:

- **Further to Policy Statement 350 “General MINISTER Limitations – Financial Condition”**
- **Further to Policy Statement 360 “General MINISTER Limitations – Protection of Assets.”**

Accordingly, with respect to the Manse Fund, the MINISTER shall not:

1. Fail to invest and keep invested such funds derived from the sale of the congregation’s manse.
2. Fail to invest according to the BC Trustee Act and to follow the “Prudent Investor” guidelines for investments.
3. Fail to establish suitable risk and return objectives where the primary objective is capital preservation and the secondary objectives, in order of priority, are income generation and preservation of purchasing power.
4. Fail to ensure that income and capital are paid out only in accordance with the Vancouver-Burrard Presbytery requirements.
5. Fail to ensure that any payment out of the Manse Fund (other than the purchase of investments within the Fund) be payable only to Canadian Memorial United Church and deposited into our general account for the exclusive use of the Housing Allowances, except for a final dissolution when the Manse Fund shall be paid out in accordance with the Manual.
6. Fail to ensure that there are at least three signatories on the Manse Fund account where at least one is a member of the BOARD and none of whom are related, and that direction on the account requires at least two signatures to be valid.
7. Fail to ensure that the Manse Fund Terms of Reference is amended only upon a meeting of the Vancouver-Burrard Presbytery after proper notice, at which a resolution is passed by a majority approving any such amendment.
8. Fail to retain investment counsel with suitable experience to carry out the investment program.

Canadian Memorial United Church

Board Policy Statement

370 Commercial Relations

Policy Type: Executive Limitations
Adoption Date: November 10, 2005
Modification Date:

- **From Policy Statement 300-7 “General MINISTER Limitations” which states:** *The MINISTER may not enter into any grant or contractual arrangements that fail to emphasize primarily the MINISTRY of the CHURCH and, secondarily, the avoidance of unacceptable means.*

Accordingly,

1. The MINISTER shall not enter a commercial relationship or transaction which clearly contradicts the BOARD’s “MINISTRY” policies.
2. In relations with commercial relationships or transactions who are not excluded by the above, the MINISTER shall not:
 - a. make any purchase from a vendor which does not represent best value.
 - b. treat any commercial relationship or transaction in an unfair or inequitable manner, nor give any preference based on any criterion other than the delivery of best value (“value” to include consideration of achieving MINISTRY ends).
 - c. violate the terms of the purchase or contract agreement.
3. There shall be no conflict of interest in awarding purchases, contracts or in making other decisions related to commercial transactions.
4. The MINISTER shall not fail to maintain and follow a rental policy that promotes MINISTRY ends within reasonable revenue and expense limitations.

Canadian Memorial United Church

Board Policy Statement

Governance Process

400 BOARD Accountability

Policy Type: Governance Process

Adoption Date: November 10, 2005

Modification Date:

A. The BOARD will *listen* to the OWNERSHIP:

1. It will use traditional and innovative means to listen to the voice of God as revealed in Jesus Christ (Bible study, prayer, theological reflection)
2. It will identify groups and individuals within the OWNERSHIP and without through whom the voice of Christ may be heard, and arrange appropriate methods to hear those voices.

B. The BOARD will be *accountable* to the OWNERSHIP:

1. BOARD will report to the CONGREGATION at the annual general meeting.
2. BOARD will regularly inform the CONGREGATION of its work through formal channels and informal communications.
3. The BOARD will report on its own work only, which is not to be confused with the work of the MINISTER.
4. BOARD will conduct itself in accordance with the requirements of the MANUAL and the United Church of Canada.
5. BOARD will consider all written appeals of any decision of the MINISTER.

Canadian Memorial United Church

Board Policy Statement

410 BOARD's Calling

Policy Type: Governance Process
Adoption Date: November 10, 2005
Modification Date:

- A. **BOARD's prayerfully considered call is to represent the OWNERSHIP in discerning, monitoring and ensuring that the Mission, Vision and Values of the OWNERSHIP are embodied, enabled and lived out in all of the life and work of the CONGREGATION.**

Accordingly,

1. The BOARD will produce written governing policies that, at the broadest levels, address each category of organizational decision.
 - a. **MINISTRY:** discerns the ends (results) to be achieved, for whom and at what cost.
 - c. **EXECUTIVE LIMITATIONS:** places constraints on the authority of the MINISTER, establishing the boundaries within which all activities and decisions must take place.
 - d. **GOVERNANCE PROCESS:** specification of how the BOARD conceives, carries out and monitors its own task.
 - e. **BOARD-MINISTER RELATIONSHIP:** how power is delegated to the MINISTER and its proper use monitored; the MINISTER's role, authority and accountability.
2. The BOARD will monitor and hold to account the MINISTER in his/her performance in complying with Ministry and Executive Limitation policies.

Canadian Memorial United Church

Board Policy Statement

420 BOARD Committees

Policy Type: Governance Process
Adoption Date: November 10, 2005
Modification Date:

- A. BOARD committees (as distinguished from Ministry Teams formed under the accountability of the MINISTER), when used, will be assigned so as to reinforce the wholeness of the BOARD' s job and so as never to interfere with the delegated authority of the MINISTER.**
1. BOARD will establish and appoint a Ministry and Personnel (“M&P”) Committee according to the MANUAL Section 244.
 - a) M&P exists to help the BOARD do its job and reach its decisions. M&P members are appointed by and accountable to the BOARD – they cannot make decisions on their own – they bring their analyses and insights to the BOARD.
 - b) The M&P committee shall not act independently of the BOARD' s explicit written policy, instruction, and directives.

Canadian Memorial United Church

Board Policy Statement

430 Disciplines and Practices

Policy Type: Governance Process
Adoption Date: November 10, 2005
Modification Date:

A. The BOARD will practice the disciplines necessary to govern with excellence.

1. BOARD meets as a duly constituted court of the United Church of Canada. Rules of Order as outlined in the MANUAL will be followed.
2. BOARD members will educate themselves about the OWNERSHIP, appropriate “Ministry”, adopted BOARD policies and good governance practice.
3. BOARD members will prepare for each meeting and will follow through on work commitments made at each meeting.
4. BOARD meetings are for the primary purpose of getting the BOARD’s work done in an efficient, effective and faithful manner.
 - a. meetings will normally be held monthly, excluding July and August.
 - b. a quorum for meetings will be 6 members, one of whom is the MINISTER (as required in the MANUAL section 123.)
 - c. agendas, appropriate correspondence, and supporting documentation will normally be distributed for receipt and consideration by all members at least one week in advance of the meeting.
 - d. Minutes of Board meetings will be reviewed by the MINISTER and distributed to the members of BOARD within two weeks of the date of the meeting.
 - e. all members will be shown respect at all meetings.
 - f. members will together monitor their adherence to the BOARD’s policies and practices.
 - g. a member absent from three consecutive BOARD meetings will be removed from the BOARD, and the nomination and election process will immediately begin except in cases of illness or bereavement.
 - h. BOARD will permit anyone to observe a BOARD meeting, but will not normally give corresponding privileges to anyone.
 - i. BOARD reserves the right to meet *in camera* (all BOARD members only) at any time.
5. All decisions made by the BOARD will be by motion duly made and seconded and carried with a simple majority.
 - a. members will voice their opinions on issues to ensure the diversity of the ownership is heard.
 - b. the Chair will determine the appropriate time in a conversation that a motion will be made.

6. BOARD Selection Process:

- a. In December of each year the congregation will be asked to nominate individuals for consideration to fill vacancies arising on BOARD.
- b. BOARD will strike a committee of the 3 BOARD members ending their 2nd year of rotation, plus the MINISTER for nominations. If there is a Past chair serving on the Board, the Past chair shall be appointed as one of the members.
- c. The committee proceeds with discernment, review of talents and measuring against the pre-established criteria for short-listing and interview purposes. Recommendations will be made to the congregation at the AGM including identification of Treasurer and Chair.
- d. Criteria for Board Membership. BOARD members are expected to commit to a minimum three-year term in office and to adhere to seven covenants:
 1. Be committed to the Mission, Vision and Values approved by the congregation
 2. Engage in one's own personal spiritual journey through "Spiritual Pathways or related personal study and increase in Biblical literacy
 3. Attend church regularly when in town
 4. Commit to daily prayer and devotional life
 5. Be actively involved in the ongoing life of, and have a "call" to serve Canadian Memorial
 6. Regular, proportionate financial contributions in support of the Mission of the Congregation
 7. Be vigilant in attendance of BOARD meetings.
- e. BOARD members will normally be elected for a 3-year term. BOARD members whose 3-year term of office is completed will be eligible to be considered for a second term of 3 years following at least one year leave. If a Member-at-Large is elected Chair-Elect or Chair, the term of office for the member may be extended to a maximum of six years.
- f. BOARD will have discretion to appoint a replacement to complete the term of office of a member who for whatever reason fails to complete his/her term. The process used will be identical to the annual process except that no separate appointment will be made if the vacancy falls within 3 months prior to the AGM at which time it will remain vacant and processed at the same time as for members retiring through rotation. The person so appointed to the irregular vacancy will be appointed for a period to complete that part of the 3-year term only, so that the rotation of other BOARD members will not be affected.

Canadian Memorial United Church

Board Policy Statement

440 Governing Style

Policy Type: Governance Process

Adoption Date: November 10, 2005

Modification Date:

- A. The BOARD will govern with an emphasis on**
- a) theological reflection
 - b) outward vision rather than internal preoccupation
 - c) encouragement of diversity in viewpoints
 - d) future, rather than past or present
 - e) pro-activity rather than reactivity.
 - f) democracy as a means of decision-making
 - g) good leadership, rather than administrative detail.

Accordingly,

1. The BOARD as a group will assume responsibility for excellence in governance.
2. The BOARD will maintain its major focus on the intended long-term effects among the BENEFICIARIES, not on the administrative or programmatic means of attaining those effects.
3. The BOARD will direct, oversee and inspire the work of the CONGREGATION by establishing written policies expressing the Ministry to be achieved and the means to be avoided. These policies will reflect values and priorities discerned by listening to the OWNERSHIP.
4. The BOARD will cultivate a sense of group responsibility where the gifts and expertise of individuals enhance the ability of the BOARD as a body to govern with excellence.
5. The BOARD will exercise whatever discipline is needed to govern with excellence. Emphasis will be placed upon continual educational development, including new member orientation and self-monitoring of the governance process.

Canadian Memorial United Church

Board Policy Statement

450 BOARD Members' Code of Conduct

Policy Type: Governance Process
Adoption Date: November 10, 2005
Modification Date: March 9, 2006

- A. The BOARD commits itself to ethical, respectful and lawful conduct, including proper use of authority and appropriate decorum when acting as BOARD members.**

Accordingly,

1. Members shall represent unconflicted loyalty to the interests of the OWNERSHIP. This accountability supersedes any conflicting loyalty such as that to other church courts, advocacy or interest groups, or membership on other boards, committees or staffs. It also supersedes the personal interest of any member acting as a BENEFICIARY.
2. Members must avoid conflict of interest.
 - a. there must be no self-dealing or any conduct of private or personal services between any BOARD member and the CHURCH except as procedurally controlled to assure openness, competitive opportunity and equal access to information.
 - b. when the BOARD is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall declare the conflict and the BOARD will decide if it will be necessary to ask the member to absent herself or himself without comment from both the deliberation and the vote.
 - c. members shall not use their position to obtain employment within the CHURCH. Should a member desire employment, he or she must first resign from the BOARD.
3. Members will respect the confidentiality appropriate to issues of a sensitive or personal nature. Members will not disclose personal information without the consent of those persons except when mandated or allowed to do so by law.
4. Members will use the following approach to conflict resolution:
 - a. We will initiate actions needed to preserve unity and peace. (*Ephesians 4:1-3*)
 - b. We will honour differences by taking the time to listen in order to understand, and by speaking in considerate ways. (*Ephesians 4:11-13*)
 - c. We will respect one another, speaking opinions in love and maintaining solidarity – especially in the presence of differences. (*Ephesians 4:15-16*)

- d. If at any time we have a constructive criticism or complaint against another member, we will safeguard the spiritual unity of the BOARD by taking the steps prescribed in Matthew 18:15-17. (*First, go to the person alone; second, if necessary, go to him or her with two or more witnesses; third, if necessary, bring the matter before the whole group.*)
- e. If another person brings to us any criticism or complaint against any other member of the BOARD, we will direct that person to take the steps prescribed in Matthew 18: 15-17. If the situation requires, we will be willing to go with that person as a witness. We will not entertain any kind of criticism or complaint against any other member, except in the presence of the one against whom the criticism or complaint is made. (*Matthew 18:15-17, Ephesians 4:31-32*)
- f. We will pray for grace to become aware of our own part in any rift between us, for the grace of God's nurturing presence with others, and for the grace of healing for each broken relationship or threatened relationship. (*Ephesians 3:16-20, 4:32-5:2*)

Canadian Memorial United Church

Board Policy Statement

460 Chair's Role

Policy Type: Governance Process
Adoption Date: November 10, 2005
Modification Date:

- A. The Chair assures the integrity and fulfillment of the BOARD's process and, secondarily, occasionally represents the BOARD to outside parties.**
1. The job result of the Chair is that the BOARD behaves consistently with its own rules and those legitimately imposed upon it from outside the CONGREGATION.
 - a. Meeting discussion content will be only issues that, according to BOARD policy, clearly belong to the BOARD, not the MINISTER.
 - b. Deliberation will be fair, open, and thorough but also timely, orderly, and to the point.
 2. The authority of the chairperson consists in making decisions that fall within topics covered by BOARD policies on Governance Process and BOARD-MINISTER Linkage, except where the BOARD specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The Chair is empowered to chair BOARD meetings with all the commonly accepted power of that position (for example, ruling, recognizing).
 - b. The Chair plans and proposes the BOARD agenda in consultation with the MINISTER.
 - c. The Chair holds only a casting vote.
 - d. The Chair has no authority to make decisions about policies created by the BOARD within MINISTRY and MINISTER limitation policy areas.
 - e. The Chair may represent the BOARD to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
 - f. The Chair may delegate this authority but remains accountable for its use.
 - g. The Chair appoints Ministry Liaisons, Nominating Committee Members and ad hoc BOARD Committees as required.
 3. The Chair does not supervise or direct the MINISTER or STAFF, or vice-versa.

Canadian Memorial United Church

Board Policy Statement

465 Past Chair and Chair Elect's Role

Policy Type: Governance Process

Adoption Date: November 10, 2005

Modification Date:

- A. The Past Chair and Chair Elect assist the Chair in carrying out his/her duties**
1. The Past Chair
 - a. Provides general support and orientation to the Chair.
 - b. In the absence of the Chair, may prepare board agendas and preside over BOARD meetings.
 - c. Serves on the Nominating committee.
 2. The Chair Elect
 - a. Provides general support to the Chair.
 - b. Learns the specifics of key issues to prepare for assuming the Chair's role.
 - c. In the absence of the Chair and Past Chair, may prepare board agendas and preside over BOARD meetings.

Canadian Memorial United Church

Board Policy Statement

470 Diversity and One Voice

Policy Type: Governance Process
Adoption Date: November 10, 2005
Modification Date:

- A. The BOARD will govern with a proactive regard for diversity of views and opinions among its membership while recognizing that its authority is corporate, represented by “speaking with one voice”.**
1. BOARD discussion will encourage diverse points of view to be expressed.
 2. The BOARD will speak with “one voice” taking care not to present conflicting messages regarding its decisions to its OWNERSHIP or BENEFICIARIES.
 - a. BOARD decisions will be stated as clearly as possible in written form.
 - b. Only written BOARD policies will direct the work of the MINISTER.
 - c. BOARD members as individuals will exercise discipline by not directing the STAFF.
 - d. BOARD members will exercise discipline by not misrepresenting the decisions of the BOARD to the OWNERSHIP or BENEFICIARIES and the general public.

Canadian Memorial United Church

Board Policy Statement

480 Policy Review Schedule

Policy Type: Governance Process
 Adoption Date: November 10, 2005
 Modification Date: September 13, 2006

1. All BOARD policies shall be reviewed on a regular basis. The schedule will be reviewed each September .
2. The goal of the review is not monitoring (ensuring the policy is being carried out) but to ensure that the policy adequately addresses the area of concern and clearly represents the current mind of the BOARD.

POLICY	FREQUENCY	TIMING
All Policies (External Review)	see 3 below	
Ministry Policies:	bi-annual	October/April
Executive Limitation Policies:	annual	March
BOARD-MINISTER Relationship	annual	February
• MINISTER Relationship		
• Monitoring MINISTER Performance		
• MINISTER Monitoring Schedule		
Governance Process	annual	December
• Ownership		
• BOARD Accountability		
• BOARD's Calling		
• BOARD Committees		
• Disciplines and Practices		
• Governing Style		
• Members' Code of Conduct		
• Chairperson's Role		
• Diversity and One Voice		

3. All policies will be externally reviewed every 3 years by the Vancouver-Burrard Presbytery and annually by the external accountant in the preparation of the audit or review.

Canadian Memorial United Church

Board Policy Statement

Appendix I Terms of Reference for Legacy Fund

Adoption Date: June 13, 2007

Modification Date:

WHEREAS:

A. The Board of Directors (the “Board of Directors”) of Canadian Memorial United Church (“CMUC”) wishes to establish a legacy fund to be known as the Canadian Memorial United Church Legacy Fund (hereinafter referred to as the “Legacy Fund”) to be held and administered by the Board of Directors through the Finance Committee, on the terms and conditions set out below;

B. The Board of Directors will commence to hold contemporaneously with the execution of this Legacy Fund Terms of Reference (the “Terms”) the assets set out in Schedule A (the “Assets”) to be held as the initial contribution (the “Initial Contribution”) to constitute the Legacy Fund;

C. CMUC intends to make or to cause to be made, and others may make, further contributions of cash and other property to the Legacy Fund (the “Future Contributions”);

D. The Stewardship Committee of CMUC plans to initiate a Planned Giving Campaign and it is intended that any Future Contributions will include:

1. Gifts, donations, bequests, funds and property received by CMUC subject to a specific designation, trust or direction from the donor that such gifts, donations, bequests, funds or property are to be held as part of the Legacy Fund;
2. Any gifts, donations, bequests, funds, or property which are not subject to a specific designation, trust or direction but which the Board of Directors of CMUC designates or directs may be placed in the Legacy Fund; and
3. Any operating surplus from CMUC’s annual operations.

E. The Legacy Fund shall be comprised of the Initial Contribution and the Future Contributions.

NOW THEREFORE in pursuance of the recitals, the Board of Directors agrees to hold the Legacy Fund consisting of the Initial Contribution and the Future Contributions on the following terms and conditions:

INTERPRETATION

1.1 The term “The Manual” shall mean the document titled “The Manual of The United Church of Canada” which contains the Basis of Union of The United Church of Canada (“The United Church”), (which came into force by virtue of *The United Church of Canada Act*), the Bylaws of the United Church and the Trusts of Model Deed as amended from time to time.

1.2 The terms “Congregation”, “Board of Directors”, “Presbytery” and “Conference” shall have the same meaning as in The Manual.

CONSTITUTION AND PURPOSES

2. Subject to The Manual and the charitable purposes of CMUC, the Legacy Fund shall be held and invested by the Board of Directors as a permanent endowment, subject to the provisions of paragraph 3(c) hereof, but in each case the Initial Contribution and the Future Contributions shall qualify as a gift of “enduring property” or a “specified gift” in accordance with s. 149.1 (1) of the *Income Tax Act* (Canada) (the “ITA”), the intention being that the capital of such contributions shall be free from disbursement quota requirements under the ITA.

2.1 The Board of Directors of CMUC may employ such part or parts of the annual income (income to include interest, dividends and capital gains, and any surplus paid into the Legacy Fund in the immediately preceding fiscal year) of the Legacy Fund at such times and in such manner as the CMUC Congregation may agree to at its annual meeting for one or more of the following purposes:

- (a) Teaching a progressive Christian faith;
- (b) Nurturing a loving community;
- (c) Acting for peace in the spirit of Christ; and
- (d) Maintaining or repairing the Canadian Memorial Church sanctuary, as a remembrance of those who died in war, and as a sacred place dedicated to peace.

2.2 Any income not paid or employed within the fiscal year following the annual general meeting of CMUC shall be added to and form part of the capital of the Legacy Fund.

3. The capital of the Legacy Fund and all accretions thereto shall not be encroached upon or distributed except as follows:

- (e) to the extent necessary to comply with the disbursement quota requirements imposed on CMUC by the ITA;
- (f) as contemplated in the provisions which govern if CMUC ceases to exist as an organized body; or
- (g) if at a meeting of the Congregation of CMUC, held on not less than 14 days notice, the Congregation passes a resolution by a two-thirds majority that the capital of the Legacy Fund may be spent for the following purposes:
 - (i) to replace or add a capital asset in furtherance of the vision, mission and values of CMUC;

- (ii) if the capital of the Legacy Fund exceeds \$5,000,000, to grant some or all of the sum in excess for one or more of the following purposes:
 - (A) teaching a progressive Christian faith;
 - (B) nurturing a loving community;
 - (C) acting for peace in the spirit of Christ; and
 - (D) maintaining or repairing the Canadian Memorial Church sanctuary, as a remembrance of those who died in war, and as a sacred place dedicated to peace,
 - (iii) to fund an operating account deficit of a prior year.
- (a) provided that in no case shall any capital which is part of a 10 year directed gift as referred to in paragraph (c) of the definition of “enduring property” in Section 149.1(1) of the ITA be distributed under this paragraph 3(c).

GOVERNANCE AND MANAGEMENT

4. The Legacy Fund shall be governed and managed by two members of the Finance Committee plus one member of the Board of Directors, with the Finance Committee and the Board of Directors having the right to replace their respective members at will.

INVESTMENT

5.1 In determining its investment policy and an appropriate level of income generation and expenditure, the Board of Directors shall seek a prudent balance between expending income for the supported purposes and accumulating income and/or making investments which will increase the capital base of the Legacy Fund as is consistent with the prudent financial management policies of such Legacy Fund.

5.2 Subject to the foregoing, in administering the Legacy Fund, the Board of Directors may in its discretion:

- (a) invest any moneys from time to time comprising the Legacy Fund requiring investment in such manner and in such investments as the Board of Directors in its discretion from time to time will think fit and with liberty to vary and transpose the same without obtaining the consent of any person;
- (b) employ investment counsel and other agents in the discharge of its duties and pay them reasonable compensation;
- (c) retain any of the investments or other property at any time forming part of the Legacy Fund for such period as the Board of Directors shall in its discretion from time to time think fit;
- (d) sell and convert into money any of the investments or other property at any time forming part of the Legacy Fund at such times and in such manner as the Board of Directors shall in its discretion from time to time think fit; and

- (e) deduct and pay out of the income of the Legacy Fund all necessary expenses incurred in administering and managing the Legacy Fund including, without limitation, any fees or charges for services of agents (including investment counsel) or legal counsel engaged by CMUC in connection with the management and administration of the Legacy Fund.

FUTURE CONTRIBUTIONS

6. The Board of Directors may accept Future Contributions of property to the Legacy Fund from any person and upon request shall issue appropriate income tax receipts in respect thereof.

AMENDMENT

7. These Terms of Reference may not be amended except by a meeting of the Congregation, held on not less than 60 days notice, at which a resolution is passed by a three-quarters majority approving any such amendment.

DIVESTITURE

8. If in the opinion of the Board of Directors anytime in the future it is no longer desirable for CMUC to employ the income or capital, or both, or all or any part of the Legacy Fund for the purposes outlined above, then the Board of Directors may redesignate the purposes of all or part of the Legacy Fund but the new designation shall adhere as closely as possible to the original intent of the Board of Directors of CMUC and to any designation, trust or direction by a donor or donors to the Legacy Fund.

- 8.1 If the Congregation ceases to exist as an organized body, the Legacy Fund shall be applied for such purpose for the benefit of The United Church as the Conference may determine after having consulted with Presbytery.