

Monitoring Overview: June 28, 2021

ENDS Policy 6 & Executive Limitations: 8 and 11

Executive Limitations policies and **Ends** policies monitoring require information from the CEO.

Board Executive Linkage is reported on by the Board Chair and reports annually or more often as needed.

Governance Policies are monitored by the Board Affairs committee and reported to the full board throughout the year.

Steps for the CEO in writing a monitoring report:

Step 1: Restate the policy

Step 2: State the reasonable interpretation of the policy, (may include defining words in the policy). State why this interpretation is reasonable.

Step 3: State what compliance looks like (observable condition).

Step 4: Provide evidence of achievement and compliance. Format: observable condition with data.

Step 5: Report of compliance or steps moving toward compliance.

The report is submitted to the Board in advance of their meeting, and members review the report ahead of the meeting. If more data is needed or if there are any other questions, the CEO will address it at the next meeting. If policy needs to be revised, that can be passed by the Board at any Board meeting.

Ends Policy 6:

1. A culture of Passionist vocational encouragement exists at St. Paul of the Cross Passionist Retreat Center. People who work, visit, retreat, and volunteer have the knowledge and encouragement to prayerfully consider and support vocations to Passionist life as a priest, brother, sister, nun, or life as a lay Passionist.

Reasonable interpretation: The board and staff are aware to promote vocations to all visitors to the center and in our daily lives.

Compliance would be evidenced by vocation stories, interest in vocations and information and displays readily available for guests to the center. All staff and board would be aware of programs and where to direct people for more information.

Our community has been involved in inviting interested young adults to talk to them about becoming a priest or joining the community in some way. We have Final Vows being Professed by Phillip Donlan on July 11, 2021 in Detroit and we will be promoting this with the local news agency. We are not sure of what the board has done to promote vocations and we need to have a more concerted effort going forward and better communication so we are both in sync.

Executive Limitations: 8, 11

EL 8 - FINANCIAL CONDITIONS AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the Director of Mission and Ministry shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the budget. Accordingly, he/she shall not:

1. Acquire, encumber, or dispose of real property;
2. Use any restricted funds for any other purpose than that designated by the donor(s);
3. Fail to provide for the Board of Directors an annual external Audited Financial Statement or Review.
4. Fail to provide programming in line with our Mission

Reasonable interpretation of this policy: We are not to sell or acquire land or buildings, use any restricted funds differently than requested. We are to have an audit or review and be sure all programming fits within our Mission. We also shall not cause material deviation from our budget and if it should occur we follow the guidelines in the Policy Handbook. Compliance to this policy is evidenced by our financial statements presented to the Audit and Finance committee and to the Province regularly. Compliance is also achieved through an audit or review.

To this end:

- We have not caused a material deviation from the budget, however with covid our revenues and expenditures may deviate from the budget created last summer when we anticipated the pandemic to ease by fall. Currently we have 270k in cash (checking) we are spending down.
- We have not acquired or disposed of any real property.
- Gordon Advisors completed our review and 990 and issued an unmodified opinion.
- All restricted funds are utilized in accord with the donor's specifications. The Finance and Audit committee review and inspect detailed financial records regularly.
- Our budget for 2021/2022 reflects a rebuilding year as more people get vaccinated and feel more comfortable resuming prior activities.
- We have applied for forgiveness of our 2nd draw of the PPP loan. The bank has approved our application and it was sent to the SBA 6/15/21 we should know in about 60 days if we are forgiven for the amount 100,475
- We are in the midst of converting our system from Financial Edge to QuickBooks Online and outsourcing our accounting function. We are running parallel systems for June and going live with QBO in July.

We are in compliance with this policy

EL 11 - COMMUNICATION AND SUPPORT TO THE BOARD

The Director of Mission and Ministry shall not permit the board to be uninformed or unsupported in its work. Accordingly, the Director of Mission and Ministry shall not:

1. Neglect to submit monitoring data required by the board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion;

2. Let the board be uninformed of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which board policy has previously been established;
3. Fail to advise the board if the board is not in compliance with its own policies on Governance Process and Board-Executive Linkage, particularly as it relates to board behavior which is detrimental to the work relationship between the board and the Executive;
4. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.

Reasonable interpretation of this policy: We will not let the board be uninformed of material changes, trends or changes in assumptions. We will report according to the pre-set monitoring schedule and add areas as needed to keep the board informed of any noncompliance. Compliance to this policy will be through the monitoring reports, to acknowledge and inform the board of any material changes in assumptions and also if the BEL policies are out of compliance.

To this end:

- We are preparing monitoring reports following the provided schedule and following up with any changes if needed. We will provide data as evidence of compliance or some form of communication of achievement where metrics may not be relevant.
- There are still changes with the Covid19 virus and the reduced capacity allowed in the Center. We have remained in compliance with the City of Detroit as well as MIOSHA. We are booking groups with increased attendance for the fall and winter months.
- At this time there are no issues with the Board over-stepping or hindering our performance. The committees are working independently of management where needed.
- The policies are reviewed periodically to see how we are going to provide evidence of accomplishment. This review helps to proactively look for any anticipated noncompliance.

We are presently in compliance with this policy.