

Monitoring Overview:

April 18, 2022 - Ends: 5, Executive Limitations: 7, 8, 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 5

5. Responding to the passion of the Earth, St. Paul of the Cross Passionist Retreat and Conference Center embraces principles of integral ecology.

Reasonable interpretation: All things are connected and it is our responsibility to do our part in safeguarding our “common home.”

These interrelationships enable Pope Francis to say that “we are not faced with two separate crises, one environmental and the other social, but rather one complex crisis which is both social and environmental.” As a result, “Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature.” In such an “economic ecology,” the protection of the environment is then seen as “an integral part of the development process and cannot be considered in isolation from it.” Fr. Reese National Catholic Reporter

Compliance to this policy is to keep in mind this perspective when considering purchases/spending for the retreat center as well as day to day habits. As it is feasible and practical within the means of the retreat center, we will look for ways to conserve natural resources and be good stewards of our earth.

Our 2022 Lenten (Easter) Appeal has now exceeded its financial goal which is set to raise funds to support energy and resource-saving projects, with the primary focus being saving water. Water is essential for life and it is no surprise to anyone that one of the biggest concerns in developing nations and in our own city is access to clean water. It is an essential natural resource. When the current retreat center was built in 1960 the commercial toilets installed used 3.0 gallons of water per flush and the showers flowed at 2.5 gallons per minute. With the success of our Lenten Appeal we've begun to replace all of the toilets, flush valves, and shower heads in the retreatant rooms with water saving units that should save 40% of the water we currently use in our retreatant bathrooms. Additionally, the new toilets are higher and easier for our retreatants. We are trying to expeditiously and economically replace the toilets and shower heads and after we're done, may have funds left over to replace the control modules on the attic fans that cool St. Joseph, Vincent, and Gabriel corridors. This would give our retreatant's cooler areas without the cost of air conditioning. We are always looking for new ways to conserve our resources.

Our quiet, sacred space allows our guests to experience the retreat center as a sanctuary. Quiet is always stressed.

Pope Francis also talks about the ecology of daily life "in our rooms, our homes, our workplaces and our neighborhoods." We attempt to shape our environment to express our identity, but "when it is disorderly, chaotic or saturated with noise and ugliness, such overstimulation makes it difficult to find ourselves integrated and happy." (Laudato Si)

St. Paul's provides a place to find renewal and to get away from the overstimulation of electronics, constant communication and to experience a less chaotic existence. We notice that retreatants – both Passionists and hosted - generally stay off their smart phones and utilize their time in reflection.

We are in compliance with this policy.

EL 7 - FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's ENDS policies, risk fiscal jeopardy, or fail to be derived from a multi-year capital improvement plan. Accordingly, the Director of Mission and Ministry shall not allow budgeting which:

1. Fails to include a credible projection of revenues and expenses; separation of capital, restricted, and operational items; cash flow; and disclosure of planning assumptions;
2. Additionally, the Director of Mission and Ministry shall not fail to comply with the approval levels for non-budgeted or items materially exceeding budget:

Under \$10,000 Director of Mission and Ministry

Over \$10,000 Director of Mission and Ministry + finance / Audit committee

Over \$100,000 Director of Mission and Ministry + Treasurer

Reasonable interpretation of this policy: Create capital and operating budgets that are realistic and adhered to throughout the fiscal year. Forecast cash flow and adjust it

throughout the year using it as a tool for financial decision making. Follow the guidelines for approvals for any non-budgeted items materially exceeding the budget. Compliance to this policy would be evidenced by a well thought out and justifiable budget reviewed by the Finance and Audit committee and approved by the Board and Provincial Council. Also, any material deviation from the budget being noted and discussed in meetings with the Finance and Audit committee to promote transparency. Having the appropriate documentation for any non-budgeted material expense.

To this end:

We meet with all departments to get their input in order to have a good estimate of needs and expectations. This is the 6th year we've used this process. The budget for FY23 is compared to the actual expenditures from every year since FY14. This helps us compare and trend long term expenditures and revenues. We're experiencing and expecting an increase in retreatants on Passionist led retreats and an increase in the total guests on hosted retreats. A significant rise in first time retreatants and a good deal of excitement from all retreatants points to a likely increase in Passionist lead retreat goes in the next fiscal year. Expenses are also expected to increase with increased volumes and we are carefully watching for increased costs of table food and energy. We have submitted our draft budget for FY23 (July 22 – Jun 23) to both the Province and the Finance Committee for their review. Our projected net income before depreciation doesn't match pre-pracademic values but is (projected) to be positive. The final budget will be submitted by the end of April.

Our fundraising and generous benefactors have continued to strongly support us and we do not have plans for borrowing from our reserves in FY23 as long as pandemic and economic changes don't negatively affect revenues and expenses.

When have not had large unbudgeted items, to report to the treasurer this year as per policy. All restricted donations are accounted for in accordance with appropriate guidelines. Our statement of cash flow is reviewed regularly by our Administrator as well as the Finance and Audit committee.

We are in compliance with this policy

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 provided the Board with the final audited financial statement.
- We have not acquired or disposed of any real property.
- We are a bit ahead of our budget this year due generous donations and careful stewardship of our resources.
- Our cash position remains strong projected through March.
- We have not had to take any money from our reserve or the Endowment.
- We have contained costs and watch our spending carefully.
- All restricted funds are utilized in accord with the donor's specifications. The Finance and Audit committee review and inspect detailed financial records regularly.
- Hosted groups and Passionist programming are in line with our Mission.
- We are moving forward with a golf outing and changed the venue to accommodate outdoor seating for a meal.
- Our Lenten ask had a goal of 75k which we have surpassed as of April 8.
- We have prepared a budget for fiscal 2022-2023 for operations and capital expenditures. We are working on the endowment budget. The operations and capital expenditure budgets are attached for review. The final budget will be sent to the Province after our audit committee review and discussion.

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 uniformed 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.
- We have communicated to the board consistently throughout the year.
- 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 submitted an updated cash forecast to the Province in late fall and continue to keep them informed as to the progress here in Detroit.

We are presently in compliance with this policy.