

Monitoring Overview:

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.

December 06, 2021 Ends 3 and Executive Limitations 8, 9, 11

ENDS 3:

3. Additional ministries, relevant programs, meetings, and events are offered so that we address unmet needs in the church and community.

Reasonable interpretation: Properly screen groups to be sure they fit within our mission. Even with non-religious entities their purpose should help to address unmet needs.

Compliance to this policy would be realized through hosting groups like Cornerstone Schools faculty who offer tuition-free charter schools serving K-12 across five campuses in Detroit., L'Arche "We are L'Arche. We are people with and without intellectual disabilities living, working, praying, and playing together in community." NFCYM (National Federation for Catholic Youth Ministry) "We're committed to advancing the field of pastoral ministry to young people." We are continuing to welcome 12 step groups. We continue to offer spiritual direction. And we are also welcoming priests and religious from the Archdiocese of Detroit and beyond to attend private and group retreats here at the retreat center. We are in compliance with this policy.

Executive Limitations: 8, 9, 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 committee and to the Province regularly. Compliance is also achieved through an audit or review.

To this end:

- We have not acquired or disposed of any real property.
- Gordon Advisors provided a draft of our audit and in their opinion there are no material concerns.
- All restricted funds including the Endowment have been utilized in accord with the donor's specifications. The finance and audit committee review and inspect detailed financial records for each month. The Provincial office review financial records quarterly and ask pointed questions.
- Hosted groups and Passionist programming are in line with our Mission.
- Our actual finances compared to our budget are actually ahead at the moment due to cost containment and additional hosted groups.

We are presently in compliance with this policy.

EL 9 - ASSET PROTECTION

The Director of Mission and Ministry shall not allow corporate assets to be unprotected, inadequately maintained, or exposed to unnecessary risk. Accordingly, the Director of Mission and Ministry shall not fail to:

1. Ensure against theft and property losses up to 100% replacement value (if reasonably available) and against liability losses of the board members, staff, and the organization in regard to normal center activities up to the maximum available offered by the Christian Brothers Risk Pooling Trust or other Province approved insurance company;

2. Maintain the Center's physical facilities, grounds, and equipment in a safe, functional, sustainable and aesthetically pleasing condition;
3. Maintain a Reserve Study detailing the service life and replacement cost of significant facilities and equipment;
4. Protect intellectual property, records, files (including but not limited to Board meeting minutes, leases, contracts and other records as required by law), or computer based information systems from loss or significant damage;
5. Handle investments in accordance with Holy Cross Province's Investment Policy
6. Make reasonable efforts to assure that the terms of the lease of property from the SPC Community be secured and in the long-term interest of the Center.

And shall not:

7. Unnecessarily expose the organization, the board, or staff to claims of liability;
8. Hold local operating cash funds in insecure instruments, including uninsured checking, savings, or certificate accounts at any time or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions;

Reasonable interpretation of this policy: Maintain our insurance policies and review them periodically. Maintain the physical space. Keep our important files safe and protect our critical operational data. Hold our cash in secure instruments and handle all our investments in accord with the Provincial policy. Renew our lease as it comes due.

Compliance is evidenced by our insurance policy being current and accurate. Having our physical center's appearance as evidence of being well cared for by our team and having a plan for proper care and maintenance. Engaging a company periodically to assess the service life of larger valued items. Protect records and files appropriately and have a process for timely destruction of antiquated records. Do not invest outside of our policies and maintain only the current bank accounts. Review the lease with the Provincial Council and negotiate its terms of renewal within 90 days of expiration.

To this end:

We reviewed all insurance schedules with Christian Brothers in October of 2018 and we added D&O insurance to our policy in the fall of 2015 with a \$1,000,000 limit in place. We reviewed the policy last year in 2020 and coverage was increased accordingly. Our Operations Manager and team maintain the facility in a safe and functional manner and follow maintenance routines for equipment. We also have a contract with our primary HVAC company to do regular maintenance for the heating and cooling systems. We have a benefactor who provides some lawn services during the spring and summer months to keep the grounds groomed. We had a study of our HVAC systems in 2016. We have not and would not intentionally expose the organization to liability. We maintain documents according to our document retention policy. We back up our server locally our email, payroll and accounting systems are hosted off site and we do not store any credit card data. Our operating funds are located in Chicago and deposits are made directly to that account with check 21 (auto deposit capture). The only accounts in Detroit are for cash funds which are then transferred to the Chicago account consistently. Our investments are with the Province and follow their guidelines. We have added to our reserve fund each year for the past three and presently have over 1M on reserve. We also have over 1M in our endowment with 299k available for operations. Our lease was renegotiated in the spring of 2020 for a period of 10 years.

We are also very pleased with the efforts of maintenance and housekeeping to take good care of all that we have in place here at the retreat center. Rooms, furniture, and other aesthetic elements are always a part of how we make the retreat center a wonderful place to be!

We are in compliance with these policies

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. All wording changes to policies from last year have been incorporated into the current reports. We will provide data as evidence of compliance or some form of communication of achievement where metrics may not be relevant.
- We are continuing to meet with the three other retreat centers weekly and sharing best practices and related ideas.
- 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.
- We do not have any anticipated noncompliance with the current executive limitation or ends policies. 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.