

Monitoring Overview:

April 17, 2023 - Ends: 5, Executive Limitations: 7, 8, 9, 10, 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 a policy needs to be revised, that can be passed by the Board at any Board meeting.

ENDS 5

5. People who work, attend, and visit St. Paul of the Cross will understand and adopt principals of the papal encyclical Laudato Si' (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 with this policy requires that we keep in mind the Integral Ecology 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. St. Paul's and all the retreat center managers have developed a draft Sustainable Purchasing Guidelines that will be presented at the Chapter meeting occurring in Jun 2023.

The retreatant bathrooms have all been outfitted with low flow toilets and low flow shower heads should save 40% of the water we currently use in our retreatant bathrooms, all from the support received in our 2022 Lenten (Easter) Appeal. We are looking into some additional energy and resource-saving projects, with the primary focus being saving water, gas, and electricity. Next step is to investigate parking lot lighting, replacing an older A/C unit over the reception area that is not working, and replace the control modules on the attic fans that cool St. Joseph, Vincent, and Gabriel corridors. This would give our retreatants cooler areas without the cost of air conditioning. We are always looking for new ways to conserve our resources.

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 and estimates of needs for the upcoming year as has become standard process. The FY24 budget is compared to the actual expenditures from every year since FY15 to view the long-term trend of expenditures and revenues. We continue to experience growth in the number of retreatants on Passionist led retreats and total guests/groups on hosted retreats. First and second time retreatants, as well as retreatants returning after COVID has fueled both excitement and development in attendees and we project an increase in Passionist lead retreat goers in the next fiscal year, budgeting for 68 men and 62 women on average. This is not as aggressive as last year's goal of an

overall average of 72 people on Passionists retreats but will be supported by additional marketing of the retreats throughout the year. For Hosted we expect a modest 3% growth based on strong reservations for the FY24 year.

Expenses are also expected to increase as Passionist and Hosted volumes increase. While we are carefully trying to manage table (food), energy, and maintenance costs, we know that costs for these sectors of our budget have been rising. We expect these to rise by 8% - partially due to inflation and partially due to volume.

We have submitted our draft budget for FY24 (July 23 – Jun 24) to the Province and are working on answering their questions. The next step is to ask the Finance Committee for their review. Our projected net income before depreciation is getting closer to pre- pandemic values and 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 FY24.

We 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 with 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 Finance Committee of the Board with the final audited financial statement.
- We have not acquired or disposed of any real property.

- We are still ahead of our budget this year due to 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 continue to follow Integral Ecology concepts and work to 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.
- Our Easter ask has a goal of 45k which we are seeing good returns.
- We have prepared a budget for fiscal 2023-2024 for operations. The budgets for capital expenditures and the endowments will follow soon. The final budget will be sent to the Province after our Finance Committee has had the opportunity to review.

We are 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 recently reviewed all insurance schedules with Christian Brothers (March of 2023) and have been in ongoing communications regarding the garage and tractor. D&O insurance was added to our policy in the fall of 2015 with a \$1,000,000 limit in place. We reviewed the policy last 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 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 have a contract with our primary HVAC company to do regular maintenance of the heating and cooling systems. Two groups of plumbers to handle plumbing issues, two electrician groups and people identified for repair of all essential equipment. We have fixed boiler valve issues and keep up maintenance schedules on this equipment. Our HVAC systems can be monitored remotely and two people have access to this software.
- We have a benefactor who provides lawn services during the spring and summer months to keep the grounds groomed. Our Maintenance Coordinator and volunteers provide additional upkeep to the grounds throughout the year.
- We have upgraded half of the security cameras on our system (the most important cameras) and now have five additional people/places monitoring the cameras throughout the business day. We've also enlarged the storage on the system so that we can review up to 6 weeks of activities. It was previously just 4 weeks.
- We have reconfigured and rewired the network switch room - which also doubles as a cleaning/maintenance closet – to reduce the likelihood of water and other damage to our network.
- We have trimmed back the branches of trees twice now to avoid possible falling tree limbs.
- 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 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. From 2018 through 2023 we've added to our reserve fund each and presently have over 1.2M on reserve.
- We also have over \$1.1M in our Thoman endowment with 163k available for operations. Our recent request for additional funds for the Thoman endowment has been successful and we expect that the amount in this fund will see an increase in future reports. Market trends continue to take their toll on our overall balance, but we hope to see growth this year.
- The Gorno endowment continues to be affected by the recent stock market downturn and is currently \$37k “underwater” in terms of funds available for withdrawal.
- We have no plans on withdrawing any funds from either endowment fund.
- Our lease was renegotiated in the spring of 2020 for a period of 10 years.

We are in compliance with these policies.

EL 10 - FUND RAISING AND DEVELOPMENT

With respect to the acquisition and allocation of funds received through fund raising activities or the Mission Advancement program, the Director of Mission and Ministry shall not cause or allow conditions, actions, procedures, or decisions that are imprudent, illegal, and violate professional standards, ethical values, or relevant stewardship responsibilities. In addition, the Director of Mission and Ministry shall not fail to:

1. Develop a fund raising and development program for the Retreat Center's needs.
2. Ensure all gifts comply with the Provincial and Retreat Center Gift Acceptance Policy
3. Maintain compliance with National Catholic Development Conference guidelines.
Reasonable interpretation of this policy: To have a plan for fundraising, be sure all gifts are in accord with the Provincial policy and to be aware of the NCDC guidelines so we can achieve compliance.

Evidence of compliance:

- Our Christmas Appeal was very successful, greater than we budgeted and greater than last year. It currently stands at \$138,531 in donations.
- This year's Easter Appeal began in April. We plan to use the funds for improvements to the Assembly Hall. This would allow St. Paul's to use this space for more Hosted and Passionist functions. We hope to add a fixed screen for AV projection, sound proofing and doors to separate the room from the dining room.
- This year's golf outing is July 13th at Fox Hills, Plymouth – Please come.
- We instituted the opportunity to accept recurring and matching gifts and have communicated this feature in recent campaigns. It's been well received, especially for Director's Circle.
- Directors Circle renewal outreach has been very successful and gifts to the Director's Circle exceed budget by 45%.
- We continue to fill out the paperwork associated with the Livonia house that was bequeathed to St. Paul Retreat. The house is being maintained and monitored by the individual (a step relative of the deceased) who has asked to purchase the house at fair market value.
- In 2023 we continue our commitment to be good stewards of the gifts we have been given, reduce our carbon footprint on our environment and to improve our home for the comfort of our retreatants and guests.
- All our gifts are received through our director of mission advancement and we comply with the gift acceptance policies. We follow the code of stewardship and ethics as outlined by the NCDC.

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.
- Regarding media coverage – we have had a known, serial, retreat center and church abuser try to smear our retreat center's name and community via a poorly devised email campaign mostly with fictitious individuals. Most of his vitriol is focused on Fr. Pat and his emails and calls go only to Roz Salter. To ensure that we don't get any negative publicity we are working with the Province's legal/PR firm Airdo Werwas and Keith Zekind at the Province to determine what steps we should take. The individual has been impersonating a Catholic brother of a religious order and has two outstanding arrest warrants and complaints/crimes listed in seven additional states.
- We continue to communicate 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.