##### BOUNDARY PRINCIPLES

#### [Defining the limits of acceptable means that the District Superintendent is hereby authorized to use in achieving the Mission]

**BP1.0 Comprehensive Boundary Statement**

The District Superintendent shall not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, unethical, unbiblical or contrary to The Discipline of The Wesleyan Church. The District Superintendent shall not interpret these Guiding Principles in any way that the board may determine to be unreasonable.

BP1.1 Component: Biblical and Moral Integrity

With regard to teaching and leadership the District Superintendent shall not fail to uphold

high standards of biblical teaching and morality.

BP1.2 Component: Financial Planning and Budgeting

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board’s Mission Principles or risk financial jeopardy.

BP1.2.1 Detail: Sufficient Information

The District Superintendent shall not allow budgeting that contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, relation of expenditures to Mission Principles and disclosure of multiyear planning assumptions.

BP1.2.2 Detail: Expenditures within Projected Funds

The District Superintendent shall not allow budgeting that plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period, unless special circumstances are adequately described including a realistic plan to make up the deficit within the following fiscal year.

BP1.2.3 Detail: Asset and Cash Margins

The District Superintendent shall not allow budgeting that intentionally creates a debt to equity ratio of greater than 30% or allows cash and readily marketable securities to drop below a safety reserve of less than three month’s expenses.

BP1.2.4 Detail: Board Funding

The District Superintendent shall not allow budgeting that provides less for board activities during the year than is set forth in the Cost of Governance Principle, AP1.2.7.

BP1.3 Component: Financial Condition and Activities

With respect to the actual, ongoing financial conditions and activities, the District Superintendent shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Mission Principles.

BP1.3.1 Detail: Expenditures

The District Superintendent shall not expend more funds than have been received in the fiscal year to date unless the following debt guideline, BP1.3.2, is met.

*BP1.3.2 Detail: Payroll and Debt Settlement*

The District Superintendent shall not fail to settle payroll and debts in a timely manner. (**Unless prior approval is given by the District Board of Administration for these debts.)**

*BP1.3.3 Detail: Government Payments and Filings*

The District Superintendent shall not allow tax payments, if any, or other government-ordered payments or filings to be overdue or inaccurately filed.

*BP1.3.4 Detail: Purchase Cap*

The District Superintendent shall not make a single expenditure of greater than $25,000, aside from staff and capital investments. **(Unless approval has been received by the Executive Team of the District Board of Administration)**

BP1.4 Component: Asset Protection

The District Superintendent shall not allow the assets to be unprotected, inadequately maintained or unnecessarily risked.

BP1.4.1 Detail: Insurance

The District Superintendent shall not fail to insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses to board members, staff and the district itself in an amount greater than the average for comparable organizations.

BP1.4.2 Detail: Bonding

The District Superintendent shall not allow either uninsured or un-bonded personnel access to material amounts of funds.

BP1.4.3 Detail: Facilities and Equipment

The District Superintendent shall not subject facilities and equipment to improper wear and tear or insufficient maintenance.

BP1.4.4 Detail: Liability

The District Superintendent shall not unnecessarily expose the organization, its board or its staff to claims of liability.

BP1.4.5 Detail: Purchases

The District Superintendent shall not make any purchase 1) wherein normally prudent protections have not been made against conflict of interest; 2) of over $1,000 without having made comparisons of prices and quality; and 3) of over $5,000 without a stringent method of assuring the balance of long-term quality and cost.

BP1.4.6 Detail: Information Protection

The District Superintendent shall not fail to protect intellectual property, information and files from loss or significant damage.

BP1.4.7 Detail: Auditor

The District Superintendent shall not receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor’s standards.

BP1.4.8 Detail: Investments

The District Superintendent shall not allow staff or investment managers to put investments at undue risk by operating contrary to the investment policy statement.

BP1.4.9 Detail: Public Reputation

The District Superintendent shall not endanger the organization’s public image or credibility, particularly in ways that would hinder accomplishment of its mission.

BP1.5 Component: Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants, contract worker and volunteers, the District Superintendent shall not cause or allow jeopardy to fiscal integrity or public image.

*BP1.5.1 Detail: District Superintendent Compensation*

The District Superintendent shall not change his or her own compensation and benefits.

*BP1.5.2 Detail: Promise of Employment*

The District Superintendent shall not promise or imply permanent or guaranteed employment.

*BP1.5.3 Detail: Market Value*

The District Superintendent shall not establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

*BP1.5.4 Detail: Term of Compensation*

The District Superintendent shall not create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

*BP1.5.5 Detail: Fairness of Benefits*

The District Superintendent shall not establish or change health or pension benefits so as to cause unpredictable or inequitable situations.

BP1.6 Component: Treatment of Staff

With respect to the treatment of paid and volunteer staff, the District Superintendent may not cause or allow conditions that are unfair or illegal.

BP1.6.1 Detail: Personnel Policies

The District Superintendent shall not operate without concise personnel policies that clarify rules for staff, provide for effective handling of grievances and protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

BP1.6.2 Detail: Grievance

The District Superintendent shall not prevent staff expressing a grievance to the board **(Executive team)** when (1) internal procedures have been exhausted, and (2) the employee alleges *either* that board principles have been violated to his or her detriment *or* that board principles do not adequately protect his or her human rights.

BP1.6.3 Detail: Notice

The District Superintendent shall not fail to acquaint staff with their rights according to these principles.

BP1.7 Component: Communication with and Support to the Board

The District Superintendent shall not permit the board to be uninformed or unsupported in its work.

BP1.8 Component: Real Property

The District Superintendent shall not buy, sell or manage real property in a manner that fails to put maximum resources to work for the mission of the district and to aid the broader advance of God’s Kingdom through win-win ventures with other like-minded ministries.

BP1.8.1 Detail: Maximum Resources for Mission

**The District Superintendent shall not allow real property of the district to remain underproductive when there is an opportunity for it to better advance the current mission priorities of the district through its usage, lease or sale.**