

Board Policies Manual (BPM)

For ABC College

READER NOTE: This template of a Board Policies Manual (BPM) is a slightly modified version of the one developed by Dr. Fred Laughlin and me for our book, *Good Governance for Nonprofits*, published in 2007 by the American Management Association. The book refers readers to a downloadable BPM template on the AMA's website that tracks with the book. This template is essentially the same, with modest "tweaks" that I felt were improvements as well as terminology appropriate for a college university. Anyone using the book will have no problem tracking its discussion with this updated template that I now provide to those who ask for a head start in writing their own BPM. New learnings may prompt me to make additional modifications as I observe boards in action. Much of our writing on the "BPM" was influenced by and even adapted from materials by John Carver and Miriam Carver (and used with permission.) Naturally, you will pick and choose which items to include and will need to add all that which is specific to your institution as you draft what is to be the "one voice" of governance in your organization. One of the first things you should probably do is change our list of committees in 1.6 and 3.7 to your committee structure. Then you might change the Sections in Part 5 to reflect how your institution is structured. Many campuses would create a Part V Section for each committee, plus a catchall Miscellaneous Section. This is a very flexible template and it has no copyright. Make good use! *Robert C. Andringa, Ph.D., June 10, 2011.*

Part 1: Introduction and Administration

This Board Policies Manual (BPM) contains all of the current standing (on-going) policies adopted by the Board of [name of institution] since the initial approval on [insert date of the Board meeting when parts or the whole BPM were first approved].

1.1 **Reasons for Adoption.** Our reasons for adopting this BPM include:

- * Efficiency of having all on-going Board policies in one place
- * Ability to quickly orient new trustees to current policies
- * Elimination of redundant, or conflicting, policies over time
- * Ease of reviewing current policy when considering new issues
- * Clear, pro-active policies to guide the President and staff
- * Models an approach to governance that other organizations might use

1.2 **Consistency.** Each policy in this document is expected to be consistent with the law, any parent organization controlling policies, the Articles of Incorporation, and the Bylaws, all of which have precedence over these Board policies. Except for time-limited or procedural-only Board decisions (approve minutes, elect an officer, etc.), which are recorded in regular Board minutes, all on-going Board policies shall be included or

referenced in this document. The President is responsible for developing institutional and administrative policies and procedures that are not inconsistent with this BPM.

1.3 **Transition.** As soon as some version of the BPM is voted on as the “one voice” of and by the entire Board, those policies are deemed to supersede any past policy that might be found in old minutes unless a prior Board resolution or contract obligates the institution to a specific matter. If any actual or apparent conflict arises between the BPM and other policies or Board resolutions, the matter shall be resolved by the Chair or the entire Board as may be appropriate.

1.4 **Changes.** These policies will be reviewed and refined at every full Board meeting. The President helps the Board formulate new language in the BPM by distributing proposed changes in advance. We will use software that shows all changes for readers to review. [Or, alternatively, when language is recommended for deletion, it is shown in ~~strike-through~~ format and proposed new language is underlined. Each section with a proposed change can be preceded by the # sign to help readers quickly locate proposed changes.] Any change to this BPM must be approved by the full Board. Any trustee as well as the President may submit proposed changes. In most cases, proposed changes shall be referred to and reviewed by the appropriate committee before being presented to the Board for action. Whenever changes are adopted, a new document should be printed, dated, and quickly made available to the Board and to those staff who assist the Board in its work. The previous version should be kept on a disk for future reference if needed.

1.5 **Specificity.** Each new policy will be drafted to fit in the appropriate place within the BPM. Conceptually, policies should be drafted from the "outside in," i.e., the broadest policy statement should be stated first, then the next broadest, etc. down to the level of detail that the Board finds appropriate for Board action and below which management is afforded discretion as to how it implements the policies.

1.6 **Oversight Responsibility.** Below are the contents of the BPM, the committees primarily responsible for drafting and reviewing those parts, and the individuals given authority to interpret and make decisions within the scope of those policies [*this will look different depending on committee structure*]:

<u>Part/Chapters</u>	<u>Oversight Committee</u>	<u>Implementation Authority</u>
1. Introduction	Governance Committee	President
2. Organization Essentials	Full Board	
3. Board Structure & Processes	Governance Committee	Chair
4. Board-Staff Relationship	Executive Committee	Chair/ President
Executive Parameters	-----	
5. Finance	Finance Committee	President
6. Programs	Programs Committee	President
7. Advancement	Advancement Committee	President
8. Audit and Compliance	Audit and Compliance Committee	President
9. Miscellaneous	Any Committee	President

- 1.7 **Maintenance of Policies.** The Secretary shall ensure that staff updates the BPM after the Board makes any changes, and distributes that version digitally within days of the changes. Legal counsel should review this BPM at least biennially to ensure compliance with the law. Discrete documents referred to in the BPM and listed at the end as addenda or exhibits shall be provided to all trustees in digital form for their personal use on their own computers or kept in an online password-protected Board website. (Note: some boards are subscribing to commercial e-governance tools such as www.BoardEffect.com)
- 1.8 **Context of Other Policies.** This BPM fits into this hierarchy of policies within which authority flows down and accountability flows up.

1. Laws and Applicable Regulations
2. Parent Organization Controlling Documents (if applicable)
3. Articles of Incorporation
4. Bylaws
5. Board Policies Manual
6. President-approved Institutional Policies
7. Policies Set by Managers Under the President

Part 2: Organization Essentials

- 2.1 Our **vision** is ...
- 2.2 Our **mission** is ...
- 2.3 The **values** that guide all we do are ...
- 2.4 The **moral owners** to whom the Board feels primarily accountable are ... (*e.g.: members, alumni, donors, denomination, taxpayers*)
- 2.5 The primary **beneficiaries** of our services are ...
- 2.6 The major general **functions** of our institution and the approximate percentage of total “effort” that is expected to be devoted to each are ...
- 2.7 The primary **strategies** by which we will fulfill our mission include ...
- 2.8 The major institutional **goals** and monitoring indicators for the next three years are:
- 2.9 **Strategic Plans.** The Board is expected to think strategically at all times. The President is expected to develop a staff strategic plan based on the policies in this BPM, update it as necessary, link major activities in the plan to the relevant sections

of this BPM, and provide copies of the plan to the Board for information by [insert a date] each year (See Exhibit 1 for latest copy of the Strategic Plan).

Part 3: Board Structure and Processes

- 3.1 Governing Style.** The Board will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of board and staff roles, and pro-activity rather than reactivity. In this spirit, the Board will:
- 3.1.1 Enforce upon itself and its members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect of clarified roles, speaking to management and the public with one voice, self-policing of any tendency to stray from the governance structure and process adopted in these Board policies, maintain confidentiality as concerns Board dialogue, and support Board actions once decisions are made.
 - 3.1.2 Be accountable to its stakeholders and the general public for competent, conscientious and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the Board to usurp this role or hinder this commitment.
 - 3.1.3 Monitor and regularly discuss the Board's own process and performance, seeking to ensure the continuity of its governance functions by selection of capable trustees, orientation and training, and evaluation.
 - 3.1.4 Be an initiator of policy, not merely a reactor to staff initiatives. The Board, not the staff, will be responsible for Board performance.
- 3.2 Board Job Description.** The job of the Board is to lead the institution toward the desired performance and ensure that it occurs. The Board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. To perform its job, the Board shall:
- 3.2.1 Determine the mission, values, strategies, and major goals/outcomes and hold the President accountable for developing a staff strategic plan based on these policies.
 - 3.2.2 Determine the parameters within which the President is expected to achieve the goals/outcomes.
 - 3.2.3 Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.
 - 3.2.4 Maintain and constantly improve all on-going policies of the Board in this BPM.

- 3.2.5 Select, fairly compensate, nurture, evaluate annually and, if necessary, terminate a President, who functions as the Board’s sole agent.
- 3.2.6 Ensure financial solvency and integrity through policies and behavior (including help as volunteers).
- 3.2.7 Require periodic financial and other external audits to ensure compliance with the law and good practices.
- 3.2.8 Evaluate and constantly improve the Board’s performance as the governing Board and set expectations for trustees’ involvement as volunteers.
- 3.3 Trustee Criteria.** In nominating members for the Board, the Board Governance Committee shall be guided by the Board-approved profile. (See Addendum A).
- 3.4 Orientation.** Prior to election, each nominee shall be given this BPM along with adequate briefings on the role of the Board, officers, and staff, and an overview of programs, plans, and finances. Soon after election, each new trustee will be given additional comprehensive orientation material and training.
- 3.5 Chair's Role.** The job of the Chair is, primarily, to maintain the integrity of the Board's process. The Chair “manages the Board.” The Chair is the only trustee authorized to speak for the Board, other than in rare and specifically Board-authorized instances.
- The Chair ensures that the Board behaves consistent with its own rules and those legitimately imposed upon it from outside the organization. Meeting discussion content will be those issues that, according to Board policy, clearly belong to the Board to decide, not staff.
- The authority of the Chair consists only in making decisions on behalf of the Board that fall within and are consistent with any reasonable interpretation of Board policies. The Chair has no authority to make decisions beyond policies created by the Board. Therefore, the Chair has no authority to supervise or direct the President’s or other employees’ work, but is expected to maintain close communication, offer advice, and provide encouragement to the President and staff on behalf of the Board.
- 3.6 Board Meetings.** Board events often will include time for guest presenters, interaction with staff and beneficiaries, board training, committee meetings, social activities, and plenary business sessions. Policies that are intended to improve the process for planning and running meetings follow:
- 3.6.1. The schedule for Board meetings shall be set two years in advance.
- 3.6.2. The President shall work with the Chair and committee chairs in developing agendas which, along with background materials for the Board and committees, monitoring reports, the President’s recommendations for changes in the BPM, previous minutes,

etc. shall be mailed (or emailed) to all trustees approximately two weeks in advance of Board meetings or placed on the Board's website.

- 3.6.3 Minutes and the updated BPM shall be sent to trustees within 14 days of Board meetings (or placed on the Board's website).
- 3.6.4 Regular Board meetings shall be held ___ times a year in the months of ____, ____, and ____, preceded by a reminder notice approximately ___ days in advance of the meeting date. The ___ meeting shall include a review of the planning and budgeting for the upcoming year. The ___ meeting shall include a review of the performance of the President and the organization for the past year. Special meetings of the Board can be called according to the Bylaws [*if not in the Bylaws, define that process here*].
- 3.6.5 The Governance Committee shall prepare a meeting evaluation survey for completion by each trustee who attends the Board meeting. The completed surveys shall be reviewed, analyzed, and summarized by the Governance Committee, which shall report the results of the meeting evaluation to the trustees within two weeks of the Board meeting.
- 3.7 Standing Committees.** Committees help the Board be effective and efficient. They speak "to the Board" and not "for the Board." Unless authorized by the whole Board, a committee may not exercise authority that is reserved to the whole Board by the Bylaws or by the laws of [*name of state*] governing not-for-profit organizations. Committees are not created to advise or exercise authority over staff. Once committees are created by the Board, the Board Chair shall recommend committee chairs and members for one-year terms, subject to Board approval. The Board Chair and the President are *ex officio* members of all committees except the Audit and Compliance Committee. The President shall assign one senior staff to assist with the work of each committee. [NOTE: Please adjust the rest of 3.7 to fit your committee structure, but the type of description may be helpful to you.]
- 3.7.1 **Governance Committee.** This committee shall recommend policies to the Board pertaining to governance issues and processes including the orientation and training of new trustees, the evaluation and improvement of the contribution of individual trustees and officers, and the recommendation of Bylaw changes. The committee will also develop a roster of potential trustees based on the Board profile, and nominate all trustees and officers.
- 3.7.2 **Finance Committee.** This committee shall develop and recommend to the Board those financial policies, plans, and courses of action that provide for mission accomplishment and organizational financial well being. Consistent with this responsibility, it shall review the annual budget and submit it to the Board for its approval. In addition, the committee shall make policy recommendations with regard to the level and terms of indebtedness, cash management, investment policy, risk management, financial monitoring and reports, employee benefit plans, signatory

authority for expenditures and other policies for inclusion in this BPM that the committee determines are advisable for effective financial management.

- 3.7.3 **Audit and Compliance Committee.** This committee shall oversee the organization's internal accounting controls; recommend external auditors for Board approval; review the external auditors' annual audit plan; and review the annual report, management letter, and the results of the external audit. The committee, or its delegate, shall have an annual private conversation with the auditor and, as appropriate, legal counsel, all of whom may be contacted by the committee chair directly. In addition, the committee shall be responsible for oversight of regulatory compliance, policies and practices regarding corporate responsibility, and ethics and business conduct-related activities, including compliance with all Federal, state, and local laws governing tax-exempt entities. The committee shall also oversee written conflict of interest policies and procedures of directors and officers and staff.
- 3.7.4 **Advancement Committee.** This committee shall study and recommend policies relating to communications and public relations as well as policies relating to raising financial and other resources for the organization.
- 3.7.5 **Programs Committee.** This committee shall study and recommend Board-level policies relating to all programs and services of the organization.
- 3.7.6 **Executive Committee.** This committee shall comprise the Chair, other officers, and the Chairs of the other committees in Section 3.7. Except for the actions enumerated below, it shall have the authority to act for the Board on all matters so long as the Executive Committee determines that it would be imprudent to wait for the next Board meeting to take such action. With respect to any action taken on behalf of the Board, (1) the Executive Committee is required to report the action to the Board within 10 days and (2) the full Board must confirm the action at its next meeting.

The Executive Committee is **not** authorized to make decisions with respect to the following matters:

- 3.7.6.1 Dissolve the corporation
 - 3.7.6.2 Hire or fire the chief executive
 - 3.7.6.3 Enter into major contracts or sue another entity
 - 3.7.6.4 Make significant changes to a Board-approved budget
 - 3.7.6.5 Adopt or eliminate major programs
 - 3.7.6.6 Buy or sell property
 - 3.7.6.7 Amend the Bylaws
 - 3.7.6.8 Change any policies the Board determines must be changed only by the Board.
- 3.7.7 [Other Committees and their areas of responsibility as determined by Board]

3.8 Advisory Groups, Councils, and Task Forces. To increase its knowledge base and depth of available expertise, the Board supports the use of groups, councils, and task forces of qualified advisers. The term "task force" refers to any group appointed by the President or the Chair to assist him or her in carrying out various time-limited goals and responsibilities. Although either the Chair or the President may form a task force, he or she shall notify the Board of its formation, purpose and membership within 10 days of its formation. The President may assign a senior staff member to serve advisory groups. The Board has established the following advisory groups, which are currently active:

3.8.1 (Name, membership, function, etc. of any advisory group the Board creates.)

3.9 Board Members' Code of Conduct. The Board expects of itself and its members ethical and businesslike conduct. Trustees must represent unconflicted loyalty to the interests of the entire organization, superseding any conflicting loyalty such as that to family members, a business, advocacy or interest groups and membership on other boards or staffs. Trustees must avoid any conflict of interest with respect to their fiduciary responsibility. There must be no self-dealing or any conduct of private business or personal services between any trustee and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.

Trustees will make no judgments of the President or staff performance except as the performance of the President is assessed against explicit Board policies and agreed upon personal performance objectives.

Each trustee is expected to complete and sign an Annual Affirmation and Conflict of Interest Statement (See Addendum B), which covers, inter alia, Board conflicts of interest, in accordance with the laws of the State governing not-for-profit organizations, and other expectations of trustees.

3.10 Board Finances. Every trustee is expected to be a donor of record in the first quarter of each calendar year. Expenses incurred to fulfill Board activities normally can be an individual tax deduction; however, any trustee may submit for reimbursement any expenses incurred to attend Board or committee meetings.

Part 4: Board – President/Faculty/Staff Relationship

4.1 Delegation to the Chief Executive (President). While the Board job is generally confined to establishing high-level policies, implementation and subsidiary policy development is delegated to the President.

4.1.1 All Board authority delegated to faculty or staff is delegated through the President, so that all authority and accountability of faculty and staff -- as far as the Board is concerned -- is considered to be the authority and accountability of the President.

- 4.1.2 Organizational Essentials policies (Part II) direct the President to achieve certain results. Executive Parameters policies (Part V) define the acceptable boundaries of prudence and ethics within which the President is expected to operate. The President is authorized to establish all further policies, make all decisions, take all actions, and develop all activities – directly, by delegation, or in collaboration with faculty and staff -- as long as they are consistent with any reasonable interpretation of the Board’s policies in this BPM.
- 4.1.3. The Board may change its policies during any meeting, thereby shifting the boundary between Board and President domains. Consequently, the Board may change the latitude of choice given to the President, but so long as any particular delegation is in place, the Board and its members will respect and support President choices. This does not prevent the Board from obtaining information in the delegated areas.
- 4.1.4 Except when a person or committee has been authorized by the Board to incur some amount of staff cost for study of an issue, no trustee, officer, or committee has authority over the President. Only officers or committee chairs may request information, but if such request -- in the President’s judgment -- requires a material amount of staff time or funds or is disruptive, it may be refused until the Chair determines that the work is important for Board work.

4.2 President’s Job Description. As the Board's single official link to the operating organization, the President’s performance will be considered to be synonymous with organizational performance as a whole. Consequently, the President’s job contributions can be stated as performance in two areas: (a) organizational accomplishment of the major organizational goals in Section 2.8, and (b) organization operations within the boundaries of prudence and ethics established in Board policies on Executive Parameters in Part V.

4.3 Communications and Counsel to the Board. With respect to providing information and counsel to the Board, the President shall keep the Board informed about matters essential to carrying out its policy duties. Accordingly, the President shall:

- 4.3.1 Inform the Board of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established, always presenting information in as clear and concise formats as possible.
- 4.3.2 Relate to the Board as a whole except when fulfilling reasonable individual requests for information or responding to officers or committees duly charged by the Board.
- 4.3.3 Report immediately any actual or anticipated material noncompliance with a policy of the Board, along with suggested modifications for the future.

4.4 Monitoring Executive Performance.

The purpose of monitoring is to determine the degree to which the mission is being accomplished and Board policies are being fulfilled. Information that does not do this shall not be considered monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to affect the future rather than to review the past. A given policy may be monitored in one or more of three ways:

- 4.4.1 Direct Board inspection: Discovery of compliance information by a trustee, a committee or the Board as a whole. This includes Board inspection of documents, activities, or circumstances that allows a "prudent person" test of policy compliance.
- 4.4.2 External report: Discovery of compliance information by a disinterested, external person or firm who is selected by and reports directly to the Board. Such reports must assess executive performance only against legal requirements or policies of the Board, with suggestions from the external party as to how the organization can improve itself.
- 4.4.3 PRESIDENT Reports: The President shall help the Board determine what tracking data are possible to measure progress in achieving the mission and goals and conforming with Board policies. Currently the Board requests these regular monitoring reports, in addition to any specific reports requested in other sections of the BPM:
 - 4.4.3.1 Monthly: Informal President reports on achievements, problems, and Board notices.
 - 4.4.3.2 Quarterly: (A) One or two-page "dash board" report showing agreed upon key indicators that track designated financial and program results over a three-year period in graphic form; (B) Other summary reports as the Board may define in this BPM.
 - 4.4.3.3 Semi-Annually: (A) Expense and revenue against budget report with comparison to previous year; (B) Balance sheet; (C) Cash flow projections; (D) _____ statistics.
 - 4.4.3.4 Annual: Within 45 days of the end of the fiscal year, with respect to that year: (A) End of year expense and revenue against budget; (B) Balance sheet; (C) Staff organization chart (or whenever major changes are made); (D) Other reports that the Board may define in this BPM.
- 4.5 Annual Performance Review.** A performance evaluation task force, comprising the Board Chair, Vice Chair, and the Chair of the Governance Committee shall formally evaluate the President annually, based on achievement of organizational goals and any other specific goals the Board and President have agreed upon in advance, as well as the President's own written self-evaluation and invited comments from all trustees after they have seen the self-evaluation. The Chair shall serve as Chair of the task force. After meeting with the President, the task force will report on its review to the Board, including recommendations on the President's compensation, which the Executive Committee or the Board will then act upon.

During this process, the President and the Board will agree on any specific, personal performance goals for the year ahead. These goals shall be documented in a letter to the President from the Board Chair and will be a primary basis for determining the President's performance at the end of the next year. At least every three years, the task force shall invite other input in a carefully planned "360" review, inviting feedback from staff, peers in our sector, and individuals outside the organization who have interacted with the President.

- 4.6 Staff Compensation.** The President is expected to hire, train, motivate, compensate, and terminate faculty and staff in a professional and caring fashion. Salaries will be set within between X% and Y% of the mean for salaries of institutions of similar size, budget, and location. Benefits will include The President shall (A) develop and maintain an employee manual that is reviewed periodically by competent legal counsel and (B) provide copies to the Board for information around April 1 of each year.
- 4.7 Faculty and Staff Treatment.** With respect to treatment of faculty and staff, the President should build a climate of trust through appropriate collegiality and finalize institutional policies in consultation with competent legal counsel.
- 4.8 Presidential Transitions.** At any time, the Chair may appoint a transition task force to explore options and propose strategies and Board policies related to succession and transition of the President and to facilitate any special needs of the outgoing and incoming President and their families. The incumbent President shall give the Board, if possible, a ___-month notice of intent to leave that office. Any need for an acting or interim President will be considered and determined by the Board. The Board Chair is authorized, as soon as a vacancy or scheduled departure of the President is known, to appoint a search committee and committee chair. The search committee may include up to ___ people not on the Board. The committee shall within 30 days recommend for Board approval a position announcement, a recommendation on any search consultant, the appointment of a search secretary, and a budget for the search. The search committee shall present one or two qualified candidates to the full Board for selection. A special task force appointed by the Chair shall, at the time of selection, negotiate the new President's compensation and service agreement and give both the incumbent and successor President any special performance priorities from the Board. After he/she leaves the organization the outgoing President may be given a paid role, but only with the approval of the new President in consultation with the officers.
- 4.9 Accessing Board Documents.** The President shall develop and maintain a system so all key Board documents can be accessed at any time by any trustee. As funding is available, the President shall research and, after consultation with the Board Development Committee, provide a secure Internet website for trustees to access relevant data, see reports, see Board and committee agendas along with the relevant reading materials, post comments, check the archives, etc. at any time. The President

shall notify trustees as key new information is posted to the Board website. [*NOTE: many boards are subscribing to commercial e-governance portals such as www.BoardEffect.com* .]

Part 5 – Executive Parameters

The purpose of Part 5 (with its several sections) is to detail those Executive Parameters that will guide the President, faculty and the staff as they accomplish the mission. These parameters are intended to free the President and others on campus to make timely decisions without undo Board directives. For simplicity of use, we have numbered the major sections below according to the major functions of our institution and our committee structure, understanding that we may choose to add, merge or delete such sections in the future.

Overall, the Board expects that the President will do nothing that is illegal, unethical, or imprudent. Beyond these very general parameters, the Board details its Executive Parameters in the major sections that follow.

Section 5. Finance Parameters

- 5.1 Finance General.** The President must ensure that the financial integrity of the organization is maintained at all times; that proper care is exercised in the receiving, processing, and disbursing of funds; and that financial and non-financial assets are appropriately protected.
- 5.2 Financial Controls.** The President must exercise care in the accounting for and protecting the financial assets of the organization. To the end, the President is expected to incorporate generally accepted principles of accounting and internal controls in the financial systems that are employed in the organization. In addition, the President may not:
- 5.2.1 Receive, process, or disburse funds under controls insufficient to meet the Board-appointed auditor’s standards.
 - 5.2.2 Approve an unbudgeted expenditure or commitment of greater than \$_____ without approval of the full Board.
 - 5.2.3 Approve an unbudgeted expenditure or commitment of \$_____ without approval of the Finance Committee.
- 5.3 Asset Protection.** The President may not allow assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the President may not:

- 5.3.1 Fail to insure against theft and casualty losses to at least 80 percent replacement value and against liability losses to trustees, staff, or the organization itself beyond the minimally acceptable prudent level.
 - 5.3.2 Allow non-bonded personnel access to material amounts of funds.
 - 5.3.3 Subject office and equipment to improper wear and tear or insufficient maintenance.
 - 5.3.4 Unnecessarily expose the organization, its Board, or staff to claims of liability.
 - 5.3.5 Make any major purchase of over \$_____ without sealed bids or other demonstrably prudent acquisition of quality goods, or any purchase of over \$_____ without written record of competitive prices, or any purchase wherein normally prudent protection has not been given against conflict of interest.
 - 5.3.6 Acquire, encumber, or dispose of real property without Board approval.
- 5.4 Investment Principles.** The President may not invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.

Section 6. Program Parameters

In general, the President is expected to establish, maintain, and eliminate programs and Services as will best achieve the mission and goals in the most effective and efficient manner.

- 6.1 New programs should be projected to serve at least _____ people.
- 6.2 New programs with an expected budget exceeding \$_____ must be approved by the Board. Those programs now approved include: *[fill in]*
- 6.3 Programs with costs of more than \$____ shall be assessed for effectiveness by an outside evaluator at least every three years, with a written report made available to the Board.
- 6.4 Any program executed in partnership with another organization shall _____.

Section 7. Advancement Parameters

The various efforts to represent the organization to the public (media, public relations, fundraising, new member recruitment, etc.) shall be integrated sufficiently so that the organizations brand/positioning in the external world is positive and effective.

- 7.1 Fund Raising Strategy.** The President shall develop and maintain a fund raising plan which, as a minimum, includes direct mail, major donor initiatives, planned giving, and web-based giving. Such plan shall be provided to trustees for review each March, along with results for each initiative. Total direct and indirect expenses for fundraising shall not exceed ___% of the total budget.
- 7.2 Donor Bill of Rights.** The President shall develop and provide the latest version to the Board, a Donor Bill of Rights, which shall include, *inter alia*, the following restrictions, i.e., the President may not allow the names of donors to be revealed outside the organization; represent to a donor that an action will be taken that violates Board policies; fail to honor an enforceable restriction from a donor; or fail to confirm receipt of a donor's contribution and send him/her an annual summary of donations. The President shall also ensure that we attempt to honor donors' requests and statements of desire as to how their donations are used so long as applicable circumstances allow, provided that those donors are adequately informed that their requests and statements of desire do not constitute binding obligations on the organization, and that the organization retains ultimate discretion and control over use of their donations.
- 7.3 Training.** The President shall ensure that appropriate members of the Board and staff receive annual training in new fundraising techniques and shall budget for such expenses.
- 7.4 Public Affairs.** The President shall exercise care in representing that we are a charitable, mission-centered, listening organization and develop policies and procedures for communicating with primary stakeholders and the public at large in a way that reinforces that image.
- 7.5 Communications Plan.** The President shall develop and maintain a communications plan, shared with the Board as appropriate, that describes how the organization will communicate with its various stakeholders. The plan shall identify the stakeholder segments, how the organization will both speak and listen to each segment, and who is allowed to speak for the organization.
- 7.6 Communications Restrictions.** To preserve our image in the community, the President and any designee are the only spokespersons authorized to speak for the institution and the Chair the only spokesperson for the Board. None of the spokespersons may represent the organization in any way inconsistent with the policies in this BPM; make statements that may be perceived as supporting a political party or platform; author an article, book, or publication that includes classified or sensitive information about the institution; or engage in lobbying activities at any governmental level without prior permission from the Board.

Section 8. Audit and Compliance

The President shall take the necessary steps to ensure that the integrity of our systems and procedures comply with all pertinent legal, regulatory, and professional requirements and to report to the Board any material variations or violations.

8.1 **Annual External Audit.** An independent auditor will be hired and supervised by the Audit and Compliance Committee, after a careful selection and annual evaluation. The President shall work with the auditor to gain a clean opinion of the annual financial statements and respond in detail to items in the auditor's management letter concerning opportunities to improve systems and procedures related to financial controls.

8.2 **Internal Compliance.** The President shall meet all requirements for complying with federal, state, or local laws and regulations. The President shall maintain a list of compliance actions and reports that are required of a nonprofit organization, or recommended by the IRS as reflected in questions contained in the Form 990 report, and periodically submit the list for inspection by the Audit and Compliance Committee. Beginning in FY2012, the President shall contract with competent legal counsel so that, every three years all pertinent laws, regulations and contracts are reviewed for compliance and annual reports are made available to the Audit and Compliance Committee who, in turn, will report to the Board on the overall status of the organization with respect to compliance matters.

Section 9. Miscellaneous

9.1 [available for policies that do not fit naturally in other chapters]

BPM **Addendums** (Board documents referenced in this BPM) are:

#	BPM Ref.	Title	Status
A	3.3	Board Profile	
B	3.9	Conflict of Interest/Annual Affirmation	
C			

BPM **Exhibits** (President /Organization documents referenced in this BPM are:

#	BPM Ref.	Title	Status
1	2.9	Strategic Plan	
2			

Contact _____ for information about our BPM.