

Rochester College

Board Policy Manual

Approved

June 18, 2012

Board Policy Manual

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POLICY TYPE: ENDS
POLICY TITLE: MISSION AND PRIORITIES
POLICY 1.0

Rochester College graduates will demonstrate academic excellence, principled character, servant leadership, and global awareness to the glory of God, for the benefit of society, and at a justifiable cost.

Every graduate of Rochester College will be able to:

1. Identify, locate, evaluate, and effectively use information across disciplines to make informed decisions and judgments that form the basis for lifelong learning.
2. Search out quantitative information, critique it, reflect on it, and creatively apply it in their public, personal, and professional lives.
3. Understand, appraise, and respectfully interact with the cultural values and belief systems of others and themselves.
4. Communicate effectively using a variety of written, oral, and visual forms.
5. Experience Christian community and develop character that allows them to effectively and ethically embody their vocation of service in God's world.
6. Demonstrate competence within his or her respective major field.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT
POLICY 2.0

The President shall not cause or allow any personal or organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, violates commonly accepted business and professional ethics and practices, or reflects negatively on the college and its mission.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF STUDENTS
POLICY 2.1

With respect to interactions with students or prospective students, the President shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing student information that fail to protect against improper access to the material.
3. Fail to operate facilities with appropriate accessibility and privacy.
4. Fail to convey to prospective students a clear understanding of what may be expected from the services offered.
5. Fail to advise students of the limitations of reasonable academic, financial, or other risks to their educational process that would compromise the integrity of the institution.
6. Fail to inform prospective students, as appropriate, of this policy, and to provide a complaint-response process.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF STAFF
POLICY 2.2

With respect to the treatment of volunteers and employed staff, the President shall not cause or allow conditions that are unsafe, unfair, or undignified.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Operate without written personnel policies, approved by legal counsel, that clarify rules for staff, provide for effective handling of grievances, and protect against wrongful conditions.
2. Prevent staff from grieving to the board when (a) internal grievance procedures have been exhausted and (b) the employee alleges that board policy has been violated.
3. Retaliate or allow retaliation against any employee for non-disruptive, internal expression of dissent, or for reporting to management or to the board acts or omissions by personnel, management, or board members that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the board.
4. Fail to acquaint staff with this policy, and the President's interpretation of their protections under this policy.
5. Allow staff to be unprepared to deal with emergency situations.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF DONORS
POLICY 2.3

With respect to the treatment of donors and their gifts, the President shall not cause or allow conditions, procedures, or decisions that are disingenuous, undignified, or disrespectful.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Permit a breach of the donor's desired privacy.
2. Allow the use of gifts for purposes other than intended.
3. Allow the organization to act as a trustee for donated funds intended to be used for non-college entities or purposes.
4. Conduct any fund-raising activities in violation of the Code of Ethical Principles adopted by the Association of Fundraising Professionals.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: FINANCIAL PLANNING AND BUDGETING
POLICY 2.4

The President shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the "Financial Condition and Activities" policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, monthly cash flow projections, and disclosure of planning assumptions.
3. Provides less for board prerogatives during the year than is set forth in the "Cost of Governance" policy.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES
POLICY 2.5

With respect to the actual, ongoing financial condition and activities, the President shall not cause or allow the development of financial jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Expend more funds than have been received in the fiscal year to date, unless the debt guideline below (2.5.2) is met.
2. Draw on existing credit arrangements in an amount greater than can be repaid by certain and otherwise unencumbered revenues in the fiscal year following that in which the funds were drawn.
3. Incur debt or debt-like instruments, or otherwise encumber the long-term assets of the college.
4. Spend permanently restricted funds.
5. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within 30 days.
6. Fail to settle payroll and debts in a timely manner.
7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
8. Make a single non-budgeted purchase or commitment of greater than \$100,000. Splitting orders to avoid this limit is not acceptable.
9. Acquire, encumber, or dispose of real estate.
10. Fail to appropriately pursue receivables after a reasonable grace period.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: ASSET PROTECTION
POLICY 2.6

The President shall not allow the college's assets to be unprotected, inadequately maintained, or unnecessarily risked.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to insure adequately against theft and casualty losses and against liability losses to board members, staff, and the organization itself, and against employee theft and dishonesty.
2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
3. Fail to employ risk management practices to minimize exposure of the organization, its board, or its staff to claims of liability.
4. Make any purchase wherein normally prudent protection has not been given against conflict of interest.
5. Make any non-emergency or non-mandated purchase of more than \$10,000 without having obtained comparative prices and quality. Splitting orders to avoid this requirement is not allowed.
6. Allow intellectual property, information, and files to be exposed to loss, improper access, or significant damage, or operate without maintaining documents and records in accordance with a Records Retention Schedule approved by legal counsel.
7. Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
8. Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisers.
9. Invest or hold operating capital in insecure instruments, or in non-interest-bearing accounts except when necessary to facilitate ease in operational transactions.
10. Endanger the college's public image, its credibility, or its ability to accomplish Ends.

11. Change the college's name or substantially alter its identity.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: ENDOWED FUNDS
POLICY 2.7

The President will not cause or allow endowed funds or board reserves to be spent or to be invested inappropriately.

Further, without limiting the scope of the foregoing by this enumeration, he or she will not:

1. Allow endowed funds or board reserves to be used for other than their intended purpose.
2. Fail to use qualified investment personnel to manage such funds and reserves and to review investment performance at least annually.
3. Make investments in margin, private placements, restricted securities, commodities, futures, or options.
4. Allow more than 70 percent of investments to be in equities.
5. Allow investment holdings that derive more than minimal revenue from sales of alcohol, tobacco products, gambling, or pornography.
6. Allow spendable income to exceed 5% of a three-year moving market value average of its assets.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: EMERGENCY PRESIDENTIAL SUCCESSION
POLICY 2.8

To protect the board from sudden loss of Presidential services, the President shall have no fewer than two other members of the management team who are sufficiently familiar with board and President issues and processes to enable either to take over with reasonable proficiency as an interim successor.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: COMPENSATION AND BENEFITS
POLICY 2.9

The President shall not cause or allow jeopardy to the college's financial integrity or public image when dealing with employment, compensation, and benefits for employees, consultants, or contract workers.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Change Presidential compensation.
2. Change the President's own benefits, except as those benefits are consistent with a package for all other employees.
3. Promise or imply permanent or guaranteed employment.
4. Establish current compensation and benefits that materially exceed the geographic and professional market for the skills employed.
5. Create obligations, pertaining to consultants or contract vendors, over a longer term than revenues can be reasonably and practically projected.
6. Establish or change retirement benefits so as to cause unpredictable or inequitable situations.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD
POLICY 2.10

The President shall not cause or allow the board to be uninformed or unsupported in its work.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Neglect to submit monitoring data required by the board in the policy "Monitoring Presidential Performance" (3.4) in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored, and including the President's interpretations consistent with the policy "Delegation to the President" (3.3), as well as relevant data.
2. Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the board, regardless of the board's monitoring schedule.
3. Allow the board to be without decision information required periodically by the board, or let the board be unaware of relevant trends.
4. Allow the board to be unaware of any significant incidental information, such as material internal and external changes, anticipated adverse media coverage, and threatened or pending lawsuits. Notification of planned material internal changes is to be provided in advance, when feasible.
5. Allow the board to be unaware that, in the President's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the President.
6. Present information in unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
7. Allow the board to be without reasonable administrative and logistical support for official board, officer, or committee communications and functions.
8. Deal with the board in a way that favors or privileges certain board members over others, except when:
 - a. fulfilling individual requests for information, or

- b. responding to officers, committees, or individuals duly charged by the board.
- 9. Fail to supply for the board's consent agenda, along with applicable monitoring information, all decisions delegated to the President yet required by law, regulation or contract to be board-approved.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: ENDS FOCUS OF GRANTS OR CONTRACTS
POLICY 2.11

The President shall not enter into any grant or contract arrangements that fail to emphasize primarily the production of Ends and, secondarily, the avoidance of unacceptable means.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to prohibit particular methods and activities to preclude grant funds from being used in imprudent, unlawful, or unethical ways.
2. Fail to assess and consider an applicant's capability to produce appropriately targeted, efficient results.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: GLOBAL GOVERNANCE/MANAGEMENT CONNECTION
POLICY 3.0

The board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer, titled President.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: UNITY OF CONTROL
POLICY 3.1

Only officially passed motions of the board are binding on the President.

Accordingly:

1. Decisions or instructions of individual board members, officers, or committees are not binding on the President except in rare instances when the board has specifically authorized such exercise of authority.
2. In the case of board members or committees requesting information or assistance without board authorization, the President can refuse such requests that require, in the President's opinion, a material amount of staff time or funds, or are disruptive.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: ACCOUNTABILITY OF THE PRESIDENT
POLICY 3.2

The President is the board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the President.

Accordingly:

1. The board will never give instructions to persons who report directly or indirectly to the President.
2. The board will not evaluate, either formally or informally, any staff other than the President.
3. The board will view the President's performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends and avoidance of board-prohibited means will be viewed as successful performance by the President.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: DELEGATION TO THE PRESIDENT
POLICY 3.3

The board will instruct the President through written policies that prescribe the organizational Ends to be achieved and proscribe organizational situations and actions to be avoided, allowing the President to use any reasonable interpretation of these policies.

Accordingly:

1. The board will develop policies instructing the President to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called *Ends* policies. All issues that are not ends issues as defined here are means issues.
2. The board will develop policies that limit the latitude the President may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions, and circumstances that would be unacceptable to the board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and will be called *Executive Limitations* policies. The board will never prescribe organizational means delegated to the President.
3. As long as the President uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the President is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the President shall have full force and authority as if decided by the board.
4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and President domains. By doing so, the board changes the latitude of choice given to the President. However, as long as any particular delegation is in place, the board will respect and support the President's choices.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: MONITORING PRESIDENT PERFORMANCE
POLICY 3.4

Systematic and rigorous monitoring of the President's job performance will be solely against the President's only expected job outputs: organizational accomplishment of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

Accordingly:

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring information.
2. The board will acquire monitoring information by one or more of three methods:
 - a. by internal report, in which the President discloses interpretations and compliance information to the board;
 - b. by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies; and
 - c. by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
3. In every case, the board will judge (a) the reasonableness of the President's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. The standard for compliance shall be *any reasonable interpretation* by the President of the board policy being monitored. The board is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the board as a whole.
5. All policies that instruct the President will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>	<u>Schedule</u>
Mission and Ends	Internal	Annually	January
Global Executive Constraint	Internal	Annually	February
Treatment of Students	Internal	Annually	March
Treatment of Staff	Internal	Annually	April
Treatment of Donors	Internal	Annually	May
Financial Planning and Budgeting	Internal	Quarterly	January April July October
Financial Condition and Activities	Internal	Quarterly	January April July October
Asset Protection	External	Annually	October
Endowed Funds	Internal	Annually	June
Emergency Presidential Succession	Internal	Annually	July
Compensation and Benefits	Internal	Annually	August
Communication and Support to the Board	Internal	Annually	September
Ends Focus of Grants or Contracts	October Internal	Annually	Annually November

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: GLOBAL GOVERNANCE COMMITMENT
POLICY 4.0

The purpose of the board, on behalf of persons who value quality higher education within an inclusive Christian context, is to see to it that Rochester College (1) achieves appropriate results for appropriate persons at an appropriate cost (as specified in board *Ends* policies) and (2) avoids unacceptable actions and situations (as prohibited in board *Executive Limitations* policies).

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: GOVERNING STYLE
POLICY 4.1

The board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of board and chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity.

Accordingly:

1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.
2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the board can change its *Governance Process* policies at any time, it will scrupulously observe those currently in force.
4. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
5. The board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling board obligations.
6. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the *Governance Process* and *Board-Management Delegation* categories.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: BOARD JOB DESCRIPTION
POLICY 4.2

Specific job outputs of the board, as informed representatives of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the board has direct responsibility that cannot be delegated to create:

1. Authoritative linkage between the ownership and the operational organization.
2. Written governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - a. *Ends*: The organizational impacts, benefits, outcomes; recipients, beneficiaries, impacted groups; and their relative worth in cost or priority.
 - b. *Executive Limitations*: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. *Board-Management Delegation*: How power is delegated and its proper use monitored; the President's role, authority, and accountability.
 - d. *Governance Process*: Specification of how the board conceives, carries out, and monitors its own task.
3. Assurance of successful organizational performance on *Ends* and *Executive Limitations* policies.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: AGENDA PLANNING
POLICY 4.3

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (1) completes a re-exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

Accordingly:

1. The cycle will conclude each year on the last day of October so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term Ends.
2. The cycle will start with the board's development of its agenda for the next year.
 - a. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
 - b. Governance education and education related to Ends determination (for example, presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
4. President monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.
5. President's remuneration will be decided during the month of January after a review of monitoring reports received in the last year.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: ROLE OF BOARD CHAIR
POLICY 4.4

The Board Chair, a specially empowered member of the board, ensures the integrity of the board's process and, secondarily, occasionally represents the board to outside parties.

Accordingly:

1. The assigned result of the Board Chair's job is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will consist solely of issues that clearly belong to the board to decide or to monitor according to board policy.
 - b. Information that is neither for monitoring performance nor for board decisions will be avoided or minimized and always noted as such.
 - c. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
2. The authority of the Board Chair consists in making decisions that fall within topics covered by board policies on *Governance Process* and *Board-Management Delegation*, with the exception of (a) employment or termination of the President and (b) areas where the board specifically delegates portions of this authority to others. The Board Chair is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The Board Chair is empowered to chair board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - b. The Board Chair has no authority to make decisions about policies created by the board within *Ends* and *Executive Limitations* policy areas. Therefore, the Board Chair has no authority to supervise or direct the President.
 - c. The Board Chair may represent the board to outside parties in announcing board-stated positions and in stating Board Chair decisions and interpretations within the area delegated to that role.

The Board Chair may delegate this authority, but remains accountable for its use.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT
POLICY 4.5

The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

Accordingly:

1. Board members must demonstrate loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as consumers.
2. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. There will be no self-dealing or any conduct of private business between any board member and the organization. Board members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
 - b. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall withdraw without comment not only from the vote but also from the deliberation.
 - c. Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. A board member who applies for employment must first resign from the board.
3. Board members may not attempt to exercise individual authority over the organization.
 - a. Members' interaction with the President or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the board.
 - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions. Issues of a particularly sensitive nature (e.g., campus crisis, etc.) should be referred to the Office of Communications at the college for official statements.

- c. Except for participation in board deliberation about whether the President has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees or the President.
- 4. A board member aware of credible information that suggests that a board policy has been violated has an affirmative obligation to bring the concern to the Board Chair and/or Vice-Chair in a timely manner.
- 5. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
- 6. Board members will be properly prepared for board deliberation.
- 7. Board members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member's personal position on the issue.
- 8. In addition to board dues, it is expected that all board members will support the college with annual gifts to the general fund and/or solicitation assistance to the President and Office of Development for the sake of fund-raising.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: BOARD COMMITTEE PRINCIPLES
POLICY 4.6

Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to President.

Accordingly:

1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the President.
3. Board committees cannot exercise authority over staff. The President works for the full board, and will therefore not be required to obtain approval of a board committee before an executive action.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.
5. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the President.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: BOARD COMMITTEE STRUCTURE
POLICY 4.7

A committee is a board committee only if its existence and charge come from the board, regardless of whether board members sit on the committee. The only board committees are those that are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

1. Nominating Committee
 - a. Product: Properly screened potential board members—by no later than June 30 each year.
 - b. Authority: To incur reasonable costs in direct charges.
2. Audit Committee
 - a. Product: Specification of scope of audit prior to outside audit—by no later than January 10 each year.
 - b. Authority: To incur reasonable costs in direct charges.
3. President Compensation Committee
 - a. Product #1: Annual President compensation package alternatives for board consideration. This will be presented to the board in a timely manner to allow final action to be taken by both parties by April 30.

Product #2: Accompanying the options for board consideration, data as to comparable compensation for similarly qualified persons in functionally comparable positions at similar organizations.

Produce #3: Contemporaneous documentation and record keeping with respect to the deliberations and decisions regarding President compensation.
 - b. Authority: To incur reasonable costs in direct charges.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: COST OF GOVERNANCE
POLICY 4.8

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Accordingly:

1. Board skills, methods, and supports will be sufficient to ensure governing with excellence.
 - a. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing members' skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, financial audit.
 - c. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - a. Up to \$1,000 annually for training and new board member orientation, including attendance at conferences and workshops.
 - b. Up to \$50,000 annually for audit and other third-party monitoring of organizational performance.
 - c. Up to \$1,000 annually for surveys, focus groups, opinion analyses, and meeting costs.
3. The board will establish its Cost of Governance budget for the next fiscal year during the month of January.