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Date: January 14, 2010
To: Board of Directors
From: Nancy C. Dawes, Chair
Subject: Board Monitoring

As a follow-up to the November board retreat, please review Policies 1.0 and 3.4 as revised and be prepared to discuss at our meeting. A motion will be made to approve the policies as revised.

In addition, for your files, we have provided the previously approved revisions to Policies 2.4, 2.5, 2.7, 3.1, 3.2, 3.3, and 3.6.

Policy	Current Wording	Proposed Wording
1.0 Global End	Girls demonstrate courage, confidence, and character, and make a difference. A. Girls understand themselves and their values. B. Girls use their knowledge and skills to explore the world. C. Girls care about, inspire, and team with others locally and globally. D. Girls act to make the world a better place.	Girls demonstrate courage, confidence, and character, and make a difference. A. Girls understand themselves and their values. B. Girls use their knowledge and skills to explore the world. C. Girls care about, inspire, and team with others locally and globally. D. Girls act to make the world a better place. <i>These Ends will be achieved at a cost that balances time, resources, and results.</i> -or- <i>These Ends will be achieved at a justifiable cost to Girl Scouts of Western Ohio.</i> -or- <i>These Ends will be achieved at a cost that is justifiable by the results.</i>

Policy	Current Wording	Proposed Wording
<p>3.4 Agenda Planning</p>	<p>To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda which: a) drives exploration of Ends concerns; b) continually improves board performance through board education and enriched input and deliberation; and c) re-examines for relevance the underlying values that support existing policy.</p> <ol style="list-style-type: none"> 1. The cycle will conclude each year on the last day of April 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 that will incorporate the following: a) Determination of the board's focus on exploration; b) Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged; c) Governance education and education related to the focus and Ends determination (e.g. presentations by futurists, demographers, advocacy groups, consultants, staff, etc.). This input will be arranged prior to the end of the year in time to be incorporated in the Cost of Governance. 3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible. 4. CEO monitoring will be included on the agenda if monitoring reports show policy violations, or if policy criteria are to be debated. 5. CEO remuneration will be decided after a review of monitoring reports received in the last year during the first quarter of the calendar year. 6. Individual meeting agendas will generally follow the format below. <ol style="list-style-type: none"> I. Approve Agenda II. Consent Agenda <ol style="list-style-type: none"> A. Operational (CEO construct) B. Board III. Board Education (at board's request) IV. Ownership Linkage <ol style="list-style-type: none"> A. Communication with the External Environment related to Board's Annual Agenda B. Ownership Communication V. Policy Discussion <ol style="list-style-type: none"> A. Based on Annual Plan of Board Work VI. Assurance of Successful CEO Performance <ol style="list-style-type: none"> A. Receipt of Monitoring Reports; Challenges to Monitoring; Vote on Compliance B. New Operational Worries C. Next monitoring assignment D. Board self assessment against Board means policies (according to the monitoring Schedule, Appendix A) VII. Items for Next Agenda VIII. Announcements IX. Adjournment 	<p>To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda which: a) drives exploration of Ends concerns; b) continually improves board performance through board education and enriched input and deliberation; and c) re-examines for relevance the underlying values that support existing policy.</p> <ol style="list-style-type: none"> 1. <i>Planning will be done in a way that communicates financial impacts for the purpose of budgeting. The two year cycle will conclude by the last day of April in the even numbered years.</i> 2. The cycle will start with the board's development of its agenda for <i>two years</i> that will incorporate the following: a) Determination of the board's focus on exploration; b) Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged; c) Governance education and education related to the focus and Ends determination (e.g. presentations by futurists, demographers, advocacy groups, consultants, staff, etc.). This input will be arranged prior to the end of the year in time to be incorporated in the Cost of Governance. 3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible. 4. <i>CEO monitoring shall not be included on the consent agenda and will be handled in a manner consistent with our Governing Style policy (3.1).</i> 5. CEO remuneration will be decided after a review of monitoring reports received in the last year during the first quarter of the calendar year. 6. Individual meeting agendas will generally follow the format below. <ol style="list-style-type: none"> I. Approve Agenda II. Consent Agenda <ol style="list-style-type: none"> A. Operational (CEO construct) B. Board III. Board Education/<i>Development</i> (at board's <i>or board development committee's</i> request) IV. Ownership Linkage <ol style="list-style-type: none"> A. Communication with the External Environment related to Board's Annual Agenda B. Ownership Communication V. Policy Discussion <ol style="list-style-type: none"> A. Based on <i>Biennial</i> Plan of Board Work VI. Assurance of Successful CEO Performance <ol style="list-style-type: none"> A. Receipt of Monitoring Reports; Challenges to Monitoring; Vote on Compliance B. New Operational Worries C. Next monitoring assignment D. Board self assessment against Board means policies (according to the monitoring Schedule, Appendix A) VII. Items for Next Agenda VIII. Announcements IX. Adjournment

2.4 Policy Title: Financial Planning/Budgeting

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

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

1. Develop a budget without conducting a formal process for planning for the future of the organization.
2. Develop a budget without employing credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosing planning assumptions.
3. Plan the expenditure in any fiscal year of more funds that are conservatively projected to be received in that period.
4. Plan so that organizational reserves could drop below six (6) months of the current unrestricted expense budget for the current fiscal year.
5. Plan an asset replacement fund that is not increased each fiscal year by at least the value of the current year depreciation expense. At no time may this fund be larger than accumulated depreciation.
6. Plan in a manner that risks unacceptable financial conditions enumerated in the "Financial Condition and Activities" policy.
7. Provide less for board prerogatives during the year than is set forth in the "Cost of Governance" policy.

2.5 Policy Title: Financial Condition and Activities

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal 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, he or she shall not:

1. Expend more funds than have been received in the fiscal year to date or incur debt unless the debt can be repaid by certain, otherwise unencumbered revenues within 60 days.
2. Use any long term reserves.
3. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days.
4. Allow payroll obligations to be unsettled or untimely.
5. Allow debts to be unpaid beyond a reasonable period of time or in such a way as to jeopardize the organization's ability to receive trade credit, damage its credit-worthiness, or diminish its reputation in the trades or in the community.
6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

7. Make a single unbudgeted purchase or commitment of greater than \$50,000. Splitting orders to avoid this limit is not acceptable.
8. Make a single purchase or commitment of \$10,000 without a competitive bid process unless deemed an emergency situation. Splitting orders to avoid this limit is not acceptable.
9. Acquire, encumber or dispose of real property.
10. Allow receivables to go uncollected beyond a reasonable period of time as established through administrative procedures, without aggressively pursuing their collection.
11. Disburse funds without following established internal control procedures.
12. Accept gifts and contributions that have stipulations that are contrary to board's Ends.

2.7 Policy Title: Ends Focus of Grants, Commitments or Contracts

The CEO may not enter into any grants, commitments, or contract arrangements unless it primarily emphasizes the production of Ends and the avoidance of unacceptable means (Executive Limitations).

3.1 Policy Title: Governing Style

The board will govern with an emphasis on: a) outward vision rather than an internal preoccupation; b) encouragement of diversity in viewpoints; c) strategic leadership more than administrative detail; d) clear distinction of board and chief executive roles; e) collective rather than individual decisions; f) future rather than past or present; and g) proactivity rather than reactivity.

On any issue, the board must insure that all divergent views are considered in making decisions, yet must resolve into a single organizational position.

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 may use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute the individual judgments for the board's values.
2. The board will direct, control, and inspire the organization through the careful establishment of board written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long term impacts of the 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, policymaking 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 observe them scrupulously while in force.
 - a) In accordance with this discipline, the board will only allow itself to address a topic after it has answered these questions:
 - i. What is the nature of the issue?
 - ii. What is the value that drives the concern?

- iii. Is this a shared issue?
 - iv. Whose issue is this? Is it the board's or the CEO's?
 - v. Has the board dealt with this subject in a policy? If so, what has the board already said on this subject and how is this issue related? If the board has already addressed the matter, does the board wish to change what it has already said?
 - vi. If the matter relates to an operational policy, what is the broadest way to address the issue so that it is still under existing board policy? Does that policy suffice to deal with our concern?
- b) Board members shall not talk about content until these questions of appropriateness are settled.
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 be an excuse for not fulfilling its commitments.
 6. The board will monitor and discuss the board's process. The board will monitor and evaluate its performance on an ongoing basis. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-CEO Linkage categories, following the monitoring schedule in Appendix A.

3.2 Policy Title: Board Job Description

The job of the board is to act as an informed agent of the ownership, ensure appropriate organizational performance, and follow the established bylaws of the Girl Scouts of Western Ohio.

Accordingly, the board has direct responsibility to create:

1. The link between the ownership and the operational organization.
2. Written governing policies which address the broadest levels of all organizational decisions and situations.
 - a) Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
 - b) Executive Limitations: Constraints on executive authority which establish the prudence and ethical boundaries within which all executive activity and decisions must take place.
 - c) Governance Process: Specification of how the board conceives, carries out and monitors its own task.
 - d) Board-CEO Linkage: How power is delegated and its proper use monitored; the CEO role, authority and accountability.
3. Assurance of CEO performance.
4. Active participation in fund development for the council.
5. Ambassadorship for Girl Scouting and visibility to the membership and communities throughout the council territory.

3.3 Policy Title: Board Member Code of Conduct

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.

1. Members must be members of Girl Scouts of the USA and accept the Girl Scout Promise and Law.
2. Members must have loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
3. Members will proactively strive to understand, represent, and consider the diverse views of ownership in our deliberations and decisions.
4. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a) There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations, with vendors, or any associations which might be or might reasonably be seen as being a conflict.
 - b) When the board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation. Conflict of interest means “exercising authority where the decision will benefit the person or his/her immediate family, business entity in which the person holds an interest, any business partner of the person.” Immediate family includes spouses, children, siblings, parents, step-relations, and half-sisters and brothers.
 - c) Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. Should a board member apply for employment, he or she must first resign from the board.
5. Board members may not attempt to exercise individual authority over the organization.
 - a) Members’ interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.
 - b) Members’ interaction with public, press or other entities should follow established communications process and must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
 - c) Except for participation in board deliberation about whether reasonable interpretation of board policy has been achieved by the CEO, members will not express individual judgments of performance of employees of the CEO.
6. Members will respect the confidentiality appropriate to issues of a sensitive nature.
7. Members will be properly prepared for board deliberation.
8. Members will support the annual campaign by personal financial contributions, and support the fund development process through identification of prospects and solicitation of potential and current donors.
9. Members will proactively encourage an atmosphere of open communication.
10. Members will annually disclose, in writing, relevant conflicts of interest.

3.6 Policy Title: Board Committee Principles

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 CEO.

Accordingly,

1. Board committees and task groups 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 CEO.
3. Board committees cannot exercise authority over staff. Because the CEO works for the full board, he or she will 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 which has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity.
6. This policy applies to any group which is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to operational committees formed under the authority of the CEO. A board member serving on such committees acts in the role of an operational volunteer.