

## **WACOSA Ends Policy**

*WACOSA is dedicated to the following results:*

- **Individuals we serve have the right and responsibility to make meaningful choices.**
- **Individuals we serve, who choose to work, have employment at which they can experience success.**
- **Individuals we serve maintain positive social and personal relationships.**
- **Individuals we serve are valued as active participants in their community.**

# Governance Process Policy

## A. Broad Policy Statement:

The purpose of the WACOSA Board, on behalf of WACOSA's customers is to see that the organization achieves appropriate results for our customers and avoids unacceptable actions and situations.

## B. Secondary or Level Two Policy Areas:

- **Board Responsibilities**
- **Board Members' Code of Conduct**
- **Governing Style**
- **President's role**
- **Board Committee Principles**
- **Cost of Governance**

### 1. Board Responsibilities:

The specific job responsibilities of the board include:

- Insuring that there is a link between WACOSA and its customers.
- The development of written governing policies in the following areas:
- **Ends:** Organizational products, effects, benefits, outcomes recipients, and their cost or relative worth.
- **Executive Limitations:** Constrains executive authority and establishes prudent and ethical boundaries within which all executive activity and decisions must take place.
- **Governance Process:** Specification of how the board conceives, carries out, and monitors its own task.
- **Board-Executive Director Linkage:** How power is delegated from the board to the Executive Director and how the use of that power is monitored as well as policies granting authority to the director and ensuring accountability.
- Assurances that the Executive Director's performance is measured against ends and executive limitations.

### 2. Board Member's Code of Conduct and Conflict of Interest:

See separate board policies on Code of Conduct, including Discipline of Board Members and Conflict of Interest Policy and corresponding annual sign-off.

### 3. Governing Style: (The way in which the board goes about its tasks).

The board will govern with an emphasis on:

- outward vision rather than internal preoccupation
- encouragement of diversity in viewpoints
- strategic leadership more than administrative detail
- clear distinction of board and chief executive roles

- collective rather than individual decisions
- future rather than past or present
- pro-activity rather than reactivity
- open meeting format unless a closed session is necessary due to the discussion of issues of a private or confidential nature.

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 use the expertise of individual members to enhance the ability of the board as a body rather than to substitute individual judgments for the board's values. The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling board commitments.

The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives about ends to be achieved and means to be avoided. The board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.

The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual board development will include orientation of new board members in the board's governance process.

The board will receive at least eight hours of direct training or training opportunities to at least two-thirds of the Board membership as well as the Executive Director and departmental directors each year. Continuous board education will, at a minimum, include the following topics and will be offered at least once every three years:

- Fiduciary responsibilities of board members of nonprofit organizations.
- Legal, programmatic and ethical responsibilities of nonprofit organizations to the communities they serve.
- Legal mandates affecting WACOSA's Extended Employment and Day Training and Habilitation programs.
- Practices to improve outcomes and increase availability of employment.

The board will monitor and discuss the board's process and performance at least one time per year. Self-monitoring/assessment will be incorporated into this process and will include comparison of board activity and discipline to policies in the Governance Process and Board-Executive Director Linkage categories, along with participation in/engagement in governance processes.

#### **4. Roles of the Officers:**

##### **President:**

- The President assures the integrity and fulfillment of the board's process and, secondarily, occasionally represents the board to outside parties.
  - The job result of the President is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
    - Meeting discussion content will be only issues that according to board policy clearly belong to the board to decide, not the Executive Director.

- Deliberation will be fair, open and thorough but also timely, orderly and to the point.
- The authority of the President consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Executive Director Linkage, except where the board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions in these policies.
  - The President is empowered to chair board meetings with all the commonly accepted power of that position.
  - The President has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the President has no authority to supervise the Executive Director.
  - The President may represent the board to outside parties in announcing board-stated positions and in stating Presidential decisions and interpretations within the area delegated to her or him.
  - The President may delegate this authority but remains accountable for its use.
  - The President may appoint the Treasurer and Secretary.

#### **Vice President:**

- Understands the responsibilities of the board chair and be able to perform these duties in the chair's absence.
- Implements policies and programs of the Board of Directors as well as all other matters.
- Carries out special assignments as requested by the board chair.
- Attends as many board meetings throughout the year as possible.
- Serves as a member of the Executive Committee.
- Is a voting member of the WACOSA Board of Directors.
- Serves on at least one sub-committees of the board.
- Exercises personal leadership in the motivation of other officers, board members, committee members, the membership and staff.
- Supports and defends policies and programs adopted by WACOSA's Board of Directors.
- Participates as a vital part of the board leadership.

#### **Secretary:**

- Attend all board meetings
- Serves on the Executive Committee of WACOSA's Board of Directors.
- In cooperation with WACOSA staff, ensures the safety and accuracy of all board records.
- Reviews and signs board minutes, following approval of WACOSA's Board of Directors.
- Assumes responsibilities of the chair in the absence of the Board President and Vice President.
- Provides notice of meetings of the board and/or of a committee of the board, when such notice is required and is handled outside the duties of WACOSA's staff.

**Treasurer:**

- As Chair of the Finance Committee, partner with the Board President to ensure that the Board of Directors fulfills its responsibilities for fiduciary oversight of the organization.
- Be a partner to the Executive Director of the organization, helping them to meet the Board's needs for meaningful and timely financial information.
- Support the President of the Board in his/her work to achieve the mission of the organization and to optimize the relationship between the Board and management.
- Chairs the Finance Committee of the Board, ensuring that it functions effectively, interacts with management optimally and fulfills all of its duties.
- Recommends to the Board President (with the Executive Director) the composition of the Finance Committee. Recommends Finance Committee members with an eye to future succession.
- Reflects to the Board President any concerns management has in regard to the role of the Finance Committee or individual members, or concerns Finance Committee members have about management or the organization's capacity to achieve the organization's financial goals.
- Ensures that an annual budget, which reflects the objectives and strategies of the organization, is prepared by staff, reviewed by the Finance Committee and presented to the full Board for approval prior to the start of any fiscal year.
- Presents to the Board a regular report on the organization's financial performance relative to budget and an evaluation of the financial opportunities and challenges facing the organization.
- Supports the Executive Director developing recommended financial policies to guide organizational operations.
- Ensures that an independent audit is conducted annually and the auditor's report is presented for review by the Finance Committee and approval by the Board.
- On a quarterly basis, the Finance Committee Chair will review all of the Executive Director's expenditures paid through credit card charges and personal reimbursements. These expenses will be approved after payments have been made.
  - Should the Chair of the Finance Committee question any claimed expense or need additional clarification regarding a claimed expense, the Chair will contact the Executive Director or Controller for further clarification.
- Fulfills other such assignments as the Board President and Board agree are appropriate and desirable for the Treasurer to perform.

**5. Board Committee Principles:**

Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and never to interfere with delegation from board to Executive Director. Committees of the board, unless otherwise stated in a committee charge from the board, will be for the purpose of preparing issues for proper board deliberation. Committees are arms of the board, not of the staff. Committees exist to consult with staff regarding particular committee matters based upon each committee member's expertise. However, ultimate decision-making will be left to the Executive Director, with ratification by the full board, when such approval is warranted. The Chairperson for each board committee will be selected by the members of the Board of Directors.

## **Finance Committee Role and Responsibilities:**

The finance committee shall have at least one member who is a financial “expert” with knowledge of accounting, controls and risk management.

### **Provide fiscal leadership to the board of directors**

- Assure that WACOSA maintains a code of ethics and a formal process which includes:
  - A process to deal with and investigate complaints related to fraud and theft.
  - Protects individuals, who report such activities, from retaliation
- Assures that a conflict of interest policy and procedure is in place for both board members and staff.
- Will meet as a committee at least four times per year

### **Assure appropriate policies and procedures are in place for guiding WACOSA’s financial activity:**

#### **Budget:**

- Conduct a detailed review of the annual budget developed by staff and request budget amendments as appropriate
- Present and recommend a budget to the board for approval

#### **Periodic Financial Statements:**

- Provide a detailed review of periodic financial statements compared to budget
- Assure that variances are analyzed and corrective actions taken if necessary

#### **Investments and Reserves:**

- Assure that WACOSA maintains an investment policy that supports strategies which will not present unnecessary risk to the funds of the organization.
- At least annually, review WACOSA’s investments and adjust if necessary
- Review annually and assure that appropriate reserves are in place for replacement of assets (real and personal property), unemployment and PTO.
- Review on an annual basis the minutes provided by the Administrative Team regarding investment and management of the 401(k) Benefit Plan.

#### **Audit:**

- Select and oversee the auditing company
- Review with the auditors the audit report and related communications including the management letter and comments related internal controls
- Will conduct an executive session with the auditors
- Arrange for auditors to present the audit to the full board
- Recommend action steps to the board as necessary
- Request full board to approve the audit
- Review actions taken (if any) on auditor’s recommendations
- Review Extended Employment compliance audit
- Review 401(k) compliance audit
- Require that the auditing firm rotate the lead partner in charge of the audit at least every seven years

#### **Other:**

- Work with staff to anticipate financial opportunities and threats and recommend appropriate action to the board
- Work with staff to continually improve the organization’s internal controls and financial policies and procedures.
- Assure that procedures are in place related to appropriate document retention and destruction including electronic, voicemail and paper records.

## **6. Cost of Governance:**

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity. Accordingly, Board skills, methods and supports will be sufficient to assure governing with excellence through:

- A. Training and retraining, which will be used liberally to orient new members and candidates for membership, as well as, to maintain and increase existing member 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 the fiscal audit.
- C. Outreach mechanisms, which will be used as needed to ensure the board's ability to listen to owner viewpoints and values.

The investment and costs for board capacity will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability of the organization.

# **Board-Executive Director Linkage Policy**

## **A. Broad Policy Statement:**

The board's sole official connection to the operating organization, its achievement, and conduct will be through the Executive Director.

## **B. Secondary Policy Areas that Deal with:**

- **Unity of Control**
- **Accountability of the Executive Director**
- **Delegation to the Executive Director**
- **Monitoring of Executive Director performance**

### **1. Unity of Control:**

Only decisions of the board acting as a body are binding on the Executive Director.

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

### **2. Accountability:**

The Executive Director 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 Executive Director.

- The board will never give instructions to persons who report directly or indirectly to the Executive Director

- In most cases, the board will refrain from evaluating, either formally or informally, any staff other than the Executive Director.
- The board will view the Executive Director's performance as identical to organizational performance so that organizational accomplishment of board-stated Ends and avoidance of board-prescribed means will be viewed as successful director performance. Circumstances beyond the Executive Director's control will be taken into consideration in completing the evaluation.

### 3. Delegation to the Executive Director:

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

- The board will develop policies instructing the Executive Director to achieve certain results, for certain 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*.
- The board will develop policies that limit the latitude the Executive Director may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called *Executive Limitations*.
- As long as the Executive Director uses any reasonable interpretation of the board's *Ends and Executive Limitations Policies*, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.
- The board may change its Ends and Executive Limitations Policies, thereby shifting the boundary between board and Executive Director domains. By doing so, the board changes the latitude of choice given to the Executive Director. But as long as any particular delegation is in place, the board will respect and support the Executive Director's choices.

### 4. Monitoring of the Executive Director:

The Board will systematically monitor the Executive Director based on current Board Policies.

The Board will review the following policies using the method and frequency identified below:

<b><u>POLICY</u></b>	<b><u>METHOD</u></b>	<b><u>FREQUENCY</u></b>
Treatment of Consumers	Board review of Consumer satisfaction survey and plan of action	Annually
Treatment of Staff	Board review of Staff Satisfaction survey and plan of action	Annually
Treatment of Community	Board review of Satisfaction survey summary and plan of action External licensing reviews	Annually Annually



<b>Protection of Assets</b>		
* Risk management review	External judge	Annually
* Operating Budget	Internal report	Bi-monthly
<b>Marketing activities &amp; Communications activities</b>	Board review of marketing tools	As developed
<b>Financial planning &amp; condition</b>		
* Risk management review	External judge	Annually
* Operating budget	Board inspection	Annually
* Audit	External auditor	Annually
<b>Compensation &amp; Benefits</b>		
* Personnel policies	Internal report to board by director after inspection	Annually
<b>Employee Protection</b>		
* Personnel policies	Internal report to the board by director after inspection of personnel policies & safety committee recommendations	Annually
<b>Communication &amp; Support of the board</b>	Board inspection and review	Annually
<b>Emergency Executive Director Succession</b>	Internal report by HR to board	Annually
<b>Program Goals/Outcomes</b>	Internal report to the board by the director	Annually
<b>Monitoring Director</b>	Performance review by Board	Annually
<b>Ends Policy</b>	Board review	with strategic planning
<b>Governance Policy (Governance Process, Board-ED Linkage &amp; ED Limitations)</b>	Board Development review with approval of any changes to full board.	Every 3 years

## **Executive Limitations Policy**

### **A. Broad Policy Statement:**

The Executive Director shall not cause or allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics or violation of regulations of funding agencies or regulatory bodies.

### **B. Secondary Policy Areas:**

- **Treatment of consumers**
- **Treatment of staff**
- **Treatment of community members**

- **Marketing activities**
- **Financial planning and budgeting**
- **Financial condition and activities (and practices)**
- **Asset protection**
- **Compensation and benefits**
- **Communication and support to the board**
- **Emergency Executive Director succession**

### **1. Treatment of Consumers:**

With respect to interactions with consumers or those applying to be consumers, The Executive Director shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy.

***The Executive Director shall not:***

- Use application forms that elicit information for which there is no clear necessity.
- Use methods of collecting, reviewing, transmitting, or storing of consumer information that fail to protect against improper access to the material elicited.
- Maintain facilities that fail to provide reasonable level of privacy.
- Fail to establish with consumers and/or their representative a clear understanding of what may be expected and what may not be expected from the service offered.
- Fail to inform consumers and/or their representative of their rights and the manner in which to enforce their rights.

### **2. Treatment of Staff:**

With respect to the treatment of paid and volunteer staff, the Executive Director may not cause or condone conditions that are unfair or undignified.

***The Executive Director shall not:***

- Operate without written personnel policies that clarify personnel rules for staff.
- Discriminate against any staff member for expressing an ethical dissent.
- Prevent staff from grieving to the board when:
  - Internal procedures have been exhausted and
  - The employee alleges either that board policy has been violated or capriciously applied to his or her detriment or
  - Board policy does not adequately protect his or her human rights
- Fail to acquaint staff with their rights under this policy

Employees and candidates for employment may not be judged on other than their own job-related qualifications and /or job performance. No discrimination among employees may be based on class membership, sex, sexual orientation or preference, age, color, national origin, race political affiliation, marital status, religion, disability or status with regard to public assistance.

### **3. Treatment of Community Members:**

The Executive Director shall not condone the development or existence of a relationship with the community that does not support the Board's Ends Policy.

#### **4. Marketing Activities:**

The Executive Director shall not allow any marketing activities that:

- Portray the consumers in a negative or derogatory manner
- Portray the organization in a negative or derogatory manner
- Release or publish information that is not truthful or honest
- Endanger the organization's public image or credibility
- Allow requests for donations to be conducted when an individual, business or entity has requested that WACOSA cease solicitation

#### **5. Business Interactions:**

WACOSA employees will conduct themselves in a professional and ethical manner in all business practices, interaction and relationships with businesses. This includes:

- Maintaining honest and respectful communication
- Disclosure of any conflict of interest
- Avoidance of any self-dealing (personal gain derived from business interactions)
- Avoidance of any other behavior which could be construed as unethical or unprofessional

#### **6. Financial Planning and Budgeting:**

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Ends priorities or risk fiscal jeopardy.

In conducting business with regard to financial planning the Executive Director shall not:

- Operate without a plan of receipts and expenditures in sufficient detail to allow prudent management of funds.
- Violate generally accepted accounting procedures, or fail to completely justify revenue projections for an ensuing period through conservative forecasting.
- Operate without a separation of all accounting duties, which demonstrate reasonable safeguards for the protection of the organization's assets.
- Be without a plan for the safe storage and maintenance of data.
- Fail to assure that the budget is in keeping with the board's long-range priorities.
- Fail to develop a zero balance annual budget, unless otherwise directed by the Board of Directors.
- Expend designated funds without prior approval of the board unless funds are used for temporary cash flow purposes and there is reasonable certainty that it can be restored to the designated account within 60 days.
- Fail to obtain board approval of the budget where required by funding source.

#### **7. Financial Conditions, Activities and Practices:**

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

- Expenditures may not exceed revenues on a year-to-date basis unless otherwise authorized by the board.
- The Executive Director shall not fail to settle payroll and debts in a timely manner or allow tax payment or other government ordered payments or filings to be overdue or inaccurately filed.

- Cash reserves shall not be reduced to a point at which the ongoing monthly operating expenses can be paid without utilizing the designated reserves.
- Designated reserves will not fall below the following:
  - The year-end balance in the Unemployment Reserve will not be less than 6.25% of the total annual payroll for the next year.
  - Replacement of Assets Reserve at year-end will not be less than the accumulated depreciation of all property.
- Accounting practices will not be without a system to aggressively pursue receivables after a reasonable grace period.
- The Executive Director may not incur long-term debt for the organization without board approval.
- The Executive Director may not sell land or building assets without the approval of the Board of Directors.

#### **8. Asset Protection:**

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

- The insurance against loss of premises and contents must be no less than the level for full replacement value.
- Insurance against liability, malpractice, and errors or omissions covering all persons, board and staff, accountable for agency activities, shall be no less than dictated by prudent risk management, or governmental or contractual requirements.
- Unreasonable wear and tear as well as disrepair of WACOSA's assets must be avoided.

#### **9. Compensation and Benefits:**

With respect to employment, compensation, and benefits to employees, consultants, contract workers, the Executive Director shall not cause or allow jeopardy to fiscal integrity or public image. The Executive Director shall not:

- Change his/her own compensation or benefits
- Promise or imply permanent or guaranteed employment.
- Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
- Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
- Establish or change pension benefits so as to cause unpredictable or inequitable situations.
- Incur non-funded liabilities
- Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity are not prohibited.

#### **10. Communication and Support to the Board:**

The Executive Director shall not permit the board to be uninformed or unsupported in its work. The Executive Director shall not:

- Neglect to submit monitoring data required by the board in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored.
- Neglect to advise the Board of relevant trends, anticipated adverse media coverage, and material external and internal changes, in particular changes in the assumptions upon which any board policy has previously been established.

- Fail to advise the Board if, in the Executive Director's opinion, the board is not in compliance with its own policies on Governance Process and Board-Executive Director Linkage, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Director.
- Fail to marshal for the Board as many staff and external points of view, issues, and options as needed for fully informed Board choices.
- 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.
- Fail to provide a mechanism for official Board, officer, or committee communications.
- Fail to deal with the Board as a whole except when fulfilling individual requests for information or responding to officers or committees duly charged by the Board.
- Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
- Fail to supply for the consent agenda all items delegated to the Executive Director, yet required by law or contract to be Board-approved, along with the monitoring assurance pertaining thereto.

**11. Emergency/Standard Executive Director Succession Plans:**

In order to protect the Board from both sudden and planned loss of the Executive Director's services, WACOSA will maintain an Emergency Executive Director Succession plan, along with its standard Executive Director Succession plan. Both plans will be updated annually and will be maintained separately from the Governance Policies.

**WACOSA**  
**Board Governance Policies**  
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