

Board Policy Manual

March 16, 2016

Contents

INTRODUCTION	8
BOARD OF DIRECTORS OVERVIEW*	8
CHAPTER 1	9
PROCESS FOR DEVELOPING BOARD POLICY	9
1.1 Purpose.....	9
1.2 Management policies are not board policies.....	9
1.3 Policy requires a majority vote of the board	10
1.4 Source of policies	10
1.5 Considerations for all policies.....	10
1.6 Accountability for carrying out policies	10
1.7 Distribution of policy manual.....	10
1.8 Amendment or suspension of policy	11
CHAPTER 2	12
CORPORATE STRUCTURE/BOARD ORGANIZATION.....	12
2.1 Establishment of the organization.....	12
2.2 Authority of the board of directors.....	12
2.3 Board member commitment	12
2.4 Board delegation of policy interpretation to staff and public.....	13
2.5 Board responsibilities.....	13
2.6 Board member rights	13
2.7 Duty of board members not to compete	13
2.8 Soliciting or receiving gifts	14
2.9 Board member conflict of interests	14
2.10 Legal obligations of board members	15
2.11 Legal requirements of board members	18
2.12 Board legal counsel.....	19
2.13 Legal services agreement.....	19
2.14 Indemnification of board members	19
2.15 Maintaining ethical credibility.....	20
2.16 The MNRAAA code of ethics.....	20
2.17 The MNRAAA board member confidentiality agreement	20
2.18 Enforcement of board ethics policies	20

2.19	Political contributions	21
2.20	Annual meeting of the board	21
2.21	Board planning.....	21
2.22	Maintenance of MNRAAA documents.....	22
2.23	Perpetuation of the organization	22
2.24	Nomination and election of board members	22
2.25	Meeting attendance requirement	23
2.26	Compensation of board members	23
2.27	Reimbursement of expenses.....	24
2.28	Directors' and officers' errors and omissions insurance	24
2.29	Authorized contact of professional consultants	24
2.30	Board correspondence	24
2.31	Affiliations	25
2.32	Board members speaking for the board to the public or media	25
2.33	Authority of board members	25
2.34	Board member term limitations	25
2.35	Political and legislative activity	25
2.36	Board member orientation and development.....	26
2.37	Step by step process for board member orientation.....	26
2.38	Board self-evaluation	27
2.39	Board members as advocates for MNRAAA.....	28
2.40	Board members as volunteers	28
2.41	Measuring community/constituent needs and concerns	28
2.42	Requests for corporation information from MNRAAA.....	29
2.43	Public communications.....	29
2.44	MNRAAA community involvement.....	30
2.45	Guidelines for board management of communication from staff and public.....	30
2.46	Guidelines for processing public complaints.....	30
2.47	Step by step process for persons other than MNRAAA staff to file a complaint	30
2.48	Annual report.....	31
2.49	Retention of records.....	31
CHAPTER 3		33
EXECUTIVE DIRECTOR RESPONSIBILITIES & FUNCTIONS		33

3.1	The executive director's role in the organization	33
3.2	Executive director communication/counsel to the board.....	33
3.3	Delegation to the executive director	33
3.4	Areas of responsibility delegated to the executive director.....	34
3.5	Monitoring executive director performance	35
3.6	Executive director performance evaluation	36
3.7	Board/executive director relationship	37
3.8	Board/executive director responsibilities	37
3.9	Executive director succession policy.....	38
CHAPTER 4		41
BOARD MEETINGS		41
4.1	Conduct of meetings	41
4.2	General rules of conduct for board meetings.....	41
4.3	General rules for board debate and discussion.....	41
4.4	Distribution of materials to be considered by the board	42
4.5	Handouts at board meetings	42
4.6	Annual board calendar	43
4.7	Regular meetings	43
4.8	Special and emergency meetings.....	43
4.9	Absence from meetings.....	43
4.10	Open board meetings	43
4.11	Closed meetings	44
4.12	Meeting agenda packet	44
4.13	Use of consent agenda.....	45
4.14	Meetings by conference call	45
4.15	Staff attendance at board meetings	46
4.16	Public board meetings	46
4.17	Electronic recordings of board meetings	47
4.18	Public forum	47
4.19	Voting	47
4.20	Proxy voting.....	47
4.21	Board alternates	48
4.22	Quorum	48

4.23	Disqualification for voting	48
4.24	Minutes of the board meeting	48
4.25	Distribution of minutes of board meetings	49
4.26	Parliamentary authority	49
CHAPTER 5		50
ORGANIZATIONAL FINANCES		50
5.1	Fiscal year	50
5.2	Financial management	50
5.3	Financial policies and procedures	50
5.4	Audit committee	50
5.5	Whistleblower protection	50
CHAPTER 6		51
EMPLOYMENT POLICIES		51
6.1	Chain of command	51
6.2	Personnel policies	51
6.3	Nepotism	52
CHAPTER 7		53
BOARD OFFICERS		53
7.1	Officers of the board and job definitions	53
7.2	Officer election process	55
7.3	Terms of office	55
7.4	Officer authority	56
7.5	Vacancies of officer positions	56
7.6	Removal of officers	56
CHAPTER 8		57
COMMITTEES OF THE BOARD		57
8.1	Committee purpose	57
8.2	Committee authority	57
8.3	Committee accountability	57
8.4	Appointment of committees	58
8.5	Committee report form	58
8.6	Ex officio committee members	58
8.7	Staff support for committees	58

8.8	Duties of committee members.....	59
8.9	Committee meetings.....	59
8.10	Guidelines for the committee chair.....	59
8.11	Executive committee.....	60
8.12	Finance committee.....	61
8.13	Audit committee.....	62
8.14	Nominating and governance committee.....	63
8.15	Planning committee.....	65
8.16	Ad hoc committee.....	66
CHAPTER 9.....		67
FACILITIES AND EQUIPMENT.....		67
9.1	Accessibility of facilities.....	67
9.2	Gifts acceptance.....	67
9.3	Use of MNRAAA name or logo.....	67
9.4	Purchase and sale of MNRAAA property and equipment.....	68
9.5	Anticipated disaster planning.....	68
Appendix A.....		69
Conflict of Interests Policy for Board Members.....		69
Conflict of Interest Disclosure Statement for Board and Committee Members.....		71
Gift Policy and Disclosure Form for Board and Committee Members.....		75
Appendix B.....		76
Code of Ethics for Board Members.....		76
Appendix C.....		77
Confidentiality Agreement for Board Members.....		77
Appendix D.....		78
Official Complaint Form.....		78
Appendix E.....		79
MNRAAA Retention Schedule.....		79
Appendix F.....		84
Public Forum Policy for MNRAAA and Request to Be Heard.....		84
Appendix G.....		85
Financial Policies and Procedures.....		85
Appendix H.....		91

Separation of Financial Duties Worksheet	91
Appendix I.....	92
Whistleblower Policy	92
Appendix J.....	94
Board Committee Report	94
Appendix K.....	95
Job Descriptions.....	95

BOARD OF DIRECTORS OVERVIEW*

Boards of directors are responsible for defining an organization's mission and providing leadership and strategic direction to an organization. The Internal Revenue Service believes that a "well-governed charity is more likely to obey tax laws, safeguard charitable assets, and serve charitable interests than one with poor or lax governance." [1] For a nonprofit organization, boards of directors provide important organizational oversight and are integral to maintaining accountability to the public and to the constituencies served by the organization. For an individual director, serving as a volunteer board member provides an opportunity for meaningful use of specialized skills and expertise for community service and for growth of personal leadership skills. For the public, well-governed organizations are more likely to reach their goals to benefit the community.

All directors owe a fiduciary duty to the organization for which they provide service. A fiduciary duty is a legal relationship of trust, good faith or reliance between an organization and a director. A director's fiduciary responsibilities are characterized by three duties: care, loyalty and obedience. (1) The duty of care requires directors to make decisions in good faith, with a reasonable amount of information and attention in the best interest of the organization. (2) A duty of loyalty requires that directors (a) act in a manner that does not cause harm to the organization, and (b) avoid leveraging their position to obtain improper personal benefits. (3) The duty of obedience requires directors to obey and comply with federal and state laws, as well as the organization's governing documents. Written organizational governance policies, such as a conflict of interest or document retention policies, often serve as mechanisms to clarify and satisfy directors' fiduciary duties and further good governance.

If a director breaches his or her fiduciary duty, that director may be held liable either by the organization's members or by the Minnesota Attorney General's office for financial harm suffered by the organization. Taxes and fees may also be assessed in some situations. Indemnification included within corporate organizational documents or Directors and Officers liability (D&O) insurance may shield directors from or limit directors' exposure for personal liability. And, Minnesota Statutes § 317A.257, subd. 1 limits a director's civil liability for acts or omissions taken in good faith without willful or reckless misconduct.

** Minnesota Council of Nonprofit Legal Handbook.*

[1] IRS Publication (2008)

PROCESS FOR DEVELOPING BOARD POLICY

1.1 Purpose

The board, as the Minnesota River Area Agency on Aging, Inc., (MNRAAA) governing body, is entrusted with the authority to establish policy for the governance of MNRAAA. Board policy establishes the parameters and guidelines for board members, committees, management and staff.

The purposes of the policies are to:

- inform everyone of board intent, goals and aspirations.
- prevent confusion among board members, staff and the public.
- promote consistency of board action.
- eliminate the need for instant (crisis) policy making.
- reduce criticism of the board and management.
- improve public relations.
- clarify board member, executive director and staff roles.
- give management a clear direction from the board.

1.2 Management policies are not board policies

The MNRAAA board makes an important distinction between board policies and management policies. Board policies establish the broad parameters within which board, management and staff will operate. Management policies, developed and implemented by the executive director, outline the specifics of how the organization and staff will operate within board policy.

Employee policies are an example of management policy developed by the executive director. The executive director develops the employee policies appropriate to his/her staff, has them examined by an attorney familiar with employee policy, has the board review and approve the policies, and provides board members with copies of the employee policy handbook. The board is not directly involved with developing employee policies other than to ensure that the executive director has carried out the project.

Once the board officially adopts a new board policy, that policy is the standard for dealing with the subject matter covered by the policy. If an issue comes before the board that is not in line with the existing policy, the issue is out of order and will be considered only in terms of policy change.

1.3 Policy requires a majority vote of the board

All policy decisions will be made by majority vote of the board and only at board meetings. Before adopting any policy, all board members will receive a copy of the proposed policy in advance of the meeting at which the vote is to be taken.

1.4 Source of policies

Policies may be recommended to the board by committees of the board, individual board members or the executive director. All proposed policies will be researched to ensure that they are legal, and do not contradict already established policy or bylaws of MNRAAA. If approved by the board, policies will be written and included in all copies of the board policy manual.

1.5 Considerations for all policies

All policies proposed to the board should be tested.

Is the proposed policy:

- really necessary for good operation of MNRAAA?
- consistent with the mission statement?
- within the scope of board authority?
- consistent with local, state and federal law?
- compatible with other policies of the board?
- practical?
- broad enough to cover the subject completely?
- enforceable?

1.6 Accountability for carrying out policies

The executive director will be accountable to the board for carrying out these policies, ensuring that all policies are effectively explained to the employees and making every reasonable effort to see that they are understood, accepted and complied with.

1.7 Distribution of policy manual

A copy of the board policy manual will at all times be available in the MNRAAA office for review and inspection by employees and board members. Each board member will be given the policy manual. Updates to the policy manual will be made upon approval of said policies and will be distributed accordingly.

1.8 Amendment or suspension of policy

All policies will be periodically reviewed by the board or a committee of the board for accuracy and appropriateness, and recommendations will be made to the board for amendment, addition or elimination. Except as otherwise provided by law, any policy of the board may be suspended, repealed, amended, or waived by a majority vote of the board, provided that at least two full weeks advance notice has been given to all board members of the intention to consider revocation, repeal, waiver, or amendment.

CORPORATE STRUCTURE/BOARD ORGANIZATION

2.1 Establishment of the organization

MNRAAA is established as a nonprofit corporation under the laws of Minnesota. The board of directors is established as the authority to operate MNRAAA in accordance with bylaws and board policies.

MNRAAA business will be conducted in accordance with the laws of Minnesota, the corporation's articles of incorporation, bylaws of the corporation, board policies and generally accepted business practices that will accomplish the MNRAAA mission.

2.2 Authority of the board of directors

Each member of the MNRAAA board, is legally and morally responsible for all activities of MNRAAA. All members of the board share in a joint and collective authority, which exists and can only be exercised when the group is in session.

2.3 Board member commitment

Serving as a board member of MNRAAA involves a very special commitment. To meet that commitment, board members are expected to:

- ensure adherence to MNRAAA's mission.
- actively set policy and ensure that the organization has adequate resources to carry out its mission.
- provide direct oversight and direction for the executive director and be responsible for evaluating his/her performance.
- evaluate its own effectiveness as a governing body, as a group of volunteers and as representatives of the community in upholding the public interest served by the organization.[1]
- attend and actively participate in all board meetings, and notify the executive director or board chair of anticipated absence.
- when absent from a meeting, review minutes and results of the missed meeting.
- do homework to be prepared to participate fully in board and committee meetings.
- serve actively on at least one committee.
- act only with the full board, not individually unless authorized to do so by the full board.
- speak for the full board only when sanctioned by the full board.

[1] *Principles and Practices for Nonprofit Excellence: A guide for nonprofit board members, managers and staff, Minnesota Council of Nonprofits at 3 (2009).*

2.4 Board delegation of policy interpretation to staff and public

The board delegates to the executive director responsibility for policy interpretation to the staff and public and for rule making, issuance of procedural directives and guides not specifically covered or detailed in the Board Policy Manual. Such interpretations, rules and directives have the force of board regulations unless and until superseded by board action.

2.5 Board responsibilities

The board of directors has ultimate authority for the management or direction of the business and affairs of the organization.[1] This is not an indication that the board should necessarily be involved in the day-to-day management aspects of the organization. Rather, the board, by fulfilling its fiduciary obligations to the organization should be aware of the activities of the organization, provide direction and leadership and take corrective action when necessary.

[1] M.S.A. § 317A.011, subd. 4 (2009).

2.6 Board member rights

Members of the MNRAAA board are granted certain specific rights. All board members have the right to:

- receive notice of board meetings and the agenda.
- attend and participate in board meetings.
- examine MNRAAA's books, records, meeting minutes, financial statements and contracts.
- place items on the board meeting agenda at the appropriate time.

2.7 Duty of board members not to compete

A board member may not use his/her position on the MNRAAA board to prevent MNRAAA from competing with the board member's business. It is expected that board members, even after they complete board service, will not use trade secrets, client lists, or other confidential information acquired by virtue of being a member of the board.

2.8 Soliciting or receiving gifts

Members of the MNRAAA board must never offer, give, solicit or receive any form of bribe or kickback through their connection to MNRAAA. Board members must never solicit a personal gift of any kind from anyone who does business with MNRAAA. This restriction applies to both actual and proposed business transactions involving MNRAAA.

2.9 Board member conflict of interests

Board members have a duty to subordinate personal interests to the welfare of MNRAAA and those served. Conflicting interests can be financial, personal relationships, status or power.

Board members are prohibited from receiving gifts of a value of more than \$50 which could not be refused without discourtesy, fees, loans, or favors from suppliers, contractors, consultants, or financial agencies, which obligate or induce the board member to compromise responsibilities to negotiate, inspect or audit, purchase or award contracts, with the best interest of MNRAAA in mind.

Board members are prohibited from knowingly disclosing information about MNRAAA to those who do not have a need to know or whose interest may be adverse to MNRAAA, either inside or outside MNRAAA. Nor may board members in any way use such information to the detriment of MNRAAA.

Board members may not have a significant financial interest in any property which MNRAAA purchases, or a direct or indirect interest in a supplier, contractor, consultant or other entity with which MNRAAA does business.

Since it is not possible to write a policy that covers all potential conflicts, board members are expected to be alert for and avoid situations, which might be construed as conflicts of interests.

Minnesota law requires three principal actions when a member has a conflict of interest. First, the critical facts regarding the member's interest must be completely communicated to the group that is taking the action, such as the board or committee. Second, the conflicted board member should abstain from voting and such member's presence is not counted for the purpose of determining if a quorum exists. The vote must be approved "in good faith" (meaning with integrity to the duties of the office or position) by two-thirds of the remaining members of the committee or board. Finally, the overall process of bidding, negotiation, contract drafting and contract execution must be fair and reasonable from the standpoint of the organization.[1] These restrictions should not be construed as preventing the board member from briefly stating his/her

position in the matter, nor from answering pertinent questions of other board members, since his or her knowledge could be of assistance to the deliberations.

[1] M.S.A. § 317A.255, subd. 1(b) (2009).

The minutes of the meeting should reflect that a disclosure was made, the abstention from voting and the quorum situation.

Failure to abide by a strict conflict of interest procedure can result in the contract being declared void (no contract ever existed) or voidable (the organization can breach the contract without repercussion).

All board members will be required to annually complete the "Conflict of Interest Disclosure Statement for Board Members" and the "Gift Policy and Disclosure Form". The Conflict of Interest Policy will be reviewed by the board annually and given to each new board member for signature during orientation. See Appendix A.

2.10 Legal obligations of board members

The MNRAAA board is both responsible and liable for MNRAAA. The MNRAAA board and the law require every board member to follow the duty of care, loyalty and obedience an ordinarily prudent person would exercise under similar circumstances.

Duty of care

The duty of care is a broad legal concept that requires members to exercise the care that an ordinarily prudent person would exercise under similar circumstances. In the case of a nonprofit organization, the member should behave and act in a way that he or she feels is in the best interest of the organization. To properly serve the best interests of the nonprofit, a board member should be an active participant in the management of the organization. A member should prepare for board meetings by reviewing financial statements, meeting minutes and other information about the activities of the organization. A member will be expected to discuss and vote on issues affecting the organization such as fundraising, executive compensation, insurance and leases. A member should make inquiries to ensure an understanding of the corporation's activities, particularly when the member is new to the organization or board. The board as a whole should ensure that board meeting minutes accurately reflect decisions made on board action items. Meeting minutes should indicate all votes taken with an indication of votes in favor, in opposition and in abstention of the item. Actions of the board may be delegated to staff or through the committee structure. It is important that the board act in a supervisory capacity over staff and committees to guarantee successful operations.[3]

If a member has some specific expertise, that board member may be held to a standard of an ordinarily prudent person with that special skill or expertise. For example, an attorney board member who is reviewing a contract or lease for the organization may be held to a higher standard of care than a non-attorney board member with the same responsibilities.[4] Also, members with such expertise should act in accordance with the professional responsibility standards of their trade when called on to act as both a director and adviser with special expertise. For example, attorney members who may provide legal advice are required to adhere to the Minnesota Rules of Professional Conduct rules of competence and conflict of interest, among others.[5]

Duty of loyalty

The duty of loyalty requires members to act in a manner reasonably believed to be in the best interests of the organization.[6] A duty of loyalty requires that members act in a manner that does not cause harm to the organization and avoid leveraging their position to obtain improper personal benefit or usurp an organizational opportunity. The duty of loyalty requires that members make decisions objectively and look out for the best interest of the organization, rather than the member's personal interest. Members must act objectively or refrain from participation when objectivity is not possible.

In Minnesota, the Nonprofit Corporation Act considers potential for conflict in a transaction or contract between a corporation and:

- any of its members;
- a member of an organization related to the corporation;
- an organization in which a member has a financial interest;
- an organization in which the corporation's director is also a member; and
- any of the above in which a member's family member may be involved.

Chapter 317A requires that any potential conflict transaction or contract be "fair and reasonable" to the organization when approved and that the "material facts" of the matter be fully disclosed and known to all parties to a transaction or contract and to the board or appropriate committee for good faith approval. It also requires that the vote of the potentially interested member not count in a board's authorization or ratification process.[7]

To support compliance with the duty of loyalty and state law, it is considered best practice for organizations to adopt a conflict of interest policy that requires disclosure of all relevant information to determine existing and potential conflicts of interest, and identifies procedures to follow when dealing with conflicts. A nonprofit board should periodically review its conflict of interest policy to remind members of their obligations. Members should periodically review their financial

interests in all organizations and their close personal relationships in order to keep current of existing and potential conflicts.[8]

Organizations should document all compensation to insiders. Insiders are paid employees or unpaid individuals who have a special relationship with the organization. Insiders generally include members, officers, trustees and any key employees with significant responsibilities.[9] Documented information regarding compensation should include the facts used to determine reasonableness, as well as the procedures used for approval. Organizations should also document transactions with related parties. Documented information regarding related-party transactions should include the names of all those considered for the transaction and why the related party was ultimately chosen. Detailed information on the terms of the transaction should also be documented.[10]

Duty of obedience

The duty of obedience requires a member to ensure that the organization is complying with all applicable laws and regulations, as well as the organization's mission and governing documents. To do this, members must monitor the activities of the organization and the board to make sure that they are acting in accordance with such laws and documents. Members must be familiar with the organization's documents and familiar enough with applicable laws and regulations to identify questions and hire legal counsel when necessary.[11] Members should be provided with copies of the organization's Articles of Incorporation, bylaws, mission statement, strategic plan and organization charts showing employee and committee reporting structures. Organizations should institute procedures for education and training to make sure members have such requisite knowledge and familiarity.[12] (Note that while board members are not generally liable for the debts of the organization, they are liable for failure to pay income tax withholding and sales tax collections. Board members may verify that withholdings are being paid through payroll reports from the payroll provider and/or through direct verification with the IRS.[18])

[3] See "Fiduciary Duties of Directors of Charitable Organizations" Office of the Minnesota Attorney General (2009).

[4] See Adam Beaudoin, "Good faith, due care, loyalties – Responsibilities of nonprofit directors" Local Tech Wire (Sept. 30, 2009).

[5] See Minn. R. Prof. C., Rule 1.1; 1.7 (2010).

[6] M.S.A. § 317A.251 subd. 1 (2008).

[7] M.S.A. § 317A.255 (2009).

[8] Ellen McVeigh and Eve Borenstein, *Overbearing Oversight? Improving Accountability for Public Charities*, Bench & Bar, 2005.

[9] Bruce Hopkins, *650 Essential Nonprofit Law Questions Answered*, Question 6:2, page 105.

[10] Ellen McVeigh and Eve Borenstein, *Overbearing Oversight? Improving Accountability for Public Charities*, Bench & Bar, 2005.

[11] *Ready in Defense*, page 74.

[12] Ellen McVeigh and Eve Borenstein, *Overbearing Oversight? Improving Accountability for Public Charities*, Bench & Bar, 2005.

[18] See www.irs.gov/businesses/small/article/0,,id=176943,00.html.

2.11 Legal requirements of board members

All board members will be expected to recognize and accept their legal position as governing agents of MNRAAA. A board member of MNRAAA occupies the role of a fiduciary with regard to those served. The word fiduciary derives from the Latin *fides*, meaning “faith.” A fiduciary duty is a legal relationship of trust between two or more parties, most commonly between a fiduciary or trustee and a principal or beneficiary. A corporate member’s fiduciary responsibilities are the general duties of care, loyalty and obedience. In the nonprofit context, a board member is trusted to act at all times for the sole benefit and interests of the mission of the organization and not for the member’s personal benefit or profit. Particular nonprofit member fiduciary responsibilities are neither specifically listed nor described in any Minnesota statute; rather they are implied in statute section § 317A.251, subd. 1. That subdivision states that “a director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.”[2] In order to satisfy the fiduciary duties generally, a board of directors must appoint, direct and supervise staff in their work to lawfully carry out the mission of the organization. Implicit in this obligation is regular communication between the board and the staff, which often occurs in the form of staff reports at board meetings or committee meetings.

Members are responsible for fully understanding their legal and fiduciary obligations. Members should review and understand documents related to planning, policies, annual review of the executive director’s performance, setting compensation structure, fundraising and financial management.[16] Additionally, the IRS’ new Form 990 inquires about whether a board of directors has reviewed the form 990.[17] This review is implicit, given a board’s obligation to approve the annual report to the Minnesota Attorney General.

The annual report to the Attorney General must be officially approved and accepted by the board. This approval applies to the entire annual report, which includes:

- the annual report form.
- IRS Form 990.
- an independently audited financial statement, if the organization’s revenues exceeded \$350,000 in the most recent fiscal year[19].

While other documents are not technically required to be approved by the board, it may be a breach of fiduciary duties for the board not to review them. Under the duties of care and obedience, board members have an obligation to supervise the organization’s activities using due care and diligence, and to ensure compliance with relevant laws and the organization’s governing documents. It is unlikely that the board can comply with these duties without reviewing board minutes, monthly or quarterly financial reports, or other of the organization’s

documents. In addition, some funding sources may require a board resolution, including requirements to set up bank accounts or enter into loans.

If MNRAAA board members violate their trust or fiduciary duty, they may be subject to legal consequences. The duties and responsibilities of board membership attach automatically when board members accept the office. Because there is a certain amount of liability involved with being a board member, the board will periodically discuss the liability issue to be certain that the board is adequately insured.

[2] M.S.A. § 317A.251, subd. 1 (2009).

[16] *Principles & Practices for Nonprofit Excellence: A guide for nonprofit board members, managers and staff*, Minnesota Council of Nonprofits at 8 (2009).

[17] IRS Form 990, Part VI, Section A, 10.

[19] *A Guide to Charities Laws*, Minnesota Attorney General's Office.

2.12 Board legal counsel

The board will designate legal counsel to serve the needs of MNRAAA. The board will also define contract terms, specific matters to be handled by the appointed counsel, and, whenever possible, the fees to be paid for retainer or actual casework. Legal counsel may be requested to attend board meetings by request of a majority of the board members or at the mutual agreement of the board chair and the executive director. The designated legal council will be reviewed as needed.

2.13 Legal services agreement

A written agreement for legal services shall be executed between the chair of the board and legal counsel before any work is performed or fees incurred. If there is an ongoing relationship between counsel and MNRAAA, the written agreement may authorize appropriate persons (executive director, board chair) to serve as the ongoing contact for legal services, and authorize those persons to direct the day-to-day decisions about use of legal counsel. Authority to initiate a lawsuit or to increase fees for legal services beyond the budgeted amount will be at the discretion of the board. Authority to settle a lawsuit or terminate a lawsuit will be at the discretion of the board.

2.14 Indemnification of board members

MNRAAA shall indemnify all board members, officers and former board members and officers from any suit or proceeding, by reason of the fact that he or she was a board member or officer of MNRAAA, against expenses, judgments, fines and money paid in settlement, if the board member or officer acted in good faith and

in a manner the board member or officer believed to be in the best interest of MNRAAA, and believed the actions were lawful.

2.15 Maintaining ethical credibility

Because the conduct of the board has a direct impact on public and constituent perceptions about MNRAAA, board members will maintain an appearance of high credibility in adhering to legal and policy requirements.

Board members will be active and encourage all other board members to be active by attending meetings, studying, questioning, voting on all issues, monitoring progress and maintaining active committees. Board members will not condone conflicts of interest on the board.

Board members will vote against proposed actions if they feel there is insufficient information on which to base an opinion. Minutes of each meeting should be carefully maintained and all votes properly recorded.

Board members will adopt formally, by motion, any rules, regulations, policies and budgets.

Board members will keep policy and procedure manuals up-to-date for ready reference. They will be available electronically, per request.

Board members will review fiscal records and controls at regular intervals.

Board members will ensure that standard budget forms and annual report forms are prepared and filed as required by law.

2.16 The MNRAAA code of ethics

As a requirement for service on the MNRAAA board, all board members will be required to read and sign the MNRAAA Code of Ethics. See Appendix B.

2.17 The MNRAAA board member confidentiality agreement

As a requirement for service on the MNRAAA board, all board members will be required to read and sign the Board Confidentiality Agreement. See Appendix C.

2.18 Enforcement of board ethics policies

Any board member who believes that a fellow board member has acted unethically should first review the current board code of ethics policy and

confidentiality agreement. Board members should not file or encourage the filing of ethics complaints that are frivolous and intended to harm the respondent rather than to protect MNRAAA.

If the board member continues to believe a fellow board member has acted unethically he/she should seek resolution by discussing his/her concerns with the colleague, if such discussion is likely to be productive and does not violate any individual's right to privacy.

If this discussion, or other informal attempts to address the concern, fails to resolve the problem, the board member should bring the concern to the attention of the board chair. If the concern relates to the board chair, the issue should be brought to the attention of the board vice-chair.

The board chair may choose to address the concern individually with the member in question or refer the concern to the executive committee.

Board members shall cooperate in ethics investigations, proceedings, and resulting requirements. In doing so, they should make reasonable efforts to resolve any issues as to confidentiality. Failure to cooperate is itself an ethics violation.

2.19 Political contributions

Members of the MNRAAA board must never make political contributions on behalf of MNRAAA. If a board member takes an active part in the political process, it must be done at the board member's personal expense. MNRAAA will not reimburse anyone for a political contribution.

Board members must not make any direct or indirect political contribution in cash, property or service on behalf of MNRAAA.

2.20 Annual meeting of the board

There will be an annual meeting of the board during the fourth quarter of the calendar year.

2.21 Board planning

To ensure that planning is based on the needs and preferences of current and potential constituents, MNRAAA board and management will conduct a realistic assessment of MNRAAA service capabilities and analysis of trends likely to impact the future of MNRAAA every five years. MNRAAA board and management will then develop an organizational plan that is based on identified needs and preferences of current and potential constituents, and appraisal of MNRAAA service capabilities.

2.22 Maintenance of MNRAAA documents

All major MNRAAA organizational documents, such as the Articles of Incorporation, real estate titles, building blueprints and any other historical or archived documents will be held at the administrative office.

2.23 Perpetuation of the organization

Continuance of the organization is the responsibility of the MNRAAA board, and requires that the board carefully select replacements as board members leave the board. Appropriate potential new board members must be recruited to maintain continuity of the governance of MNRAAA.

The board will maintain an ongoing recruiting plan that can fill board vacancies with well-qualified candidates and with minimal disruption to the board's work. When selecting new board members, the board will attempt to find broad representation that will offer diverse perspectives to the board's decisions.

2.24 Nomination and election of board members

It is the policy of the MNRAAA board to carefully nominate and elect to the board persons who:

- believe in the cause and mission of MNRAAA.
- will commit completely to the board member responsibility for MNRAAA.
- will actively participate as part of the MNRAAA board.
- are community leaders.
- will advocate in the community for MNRAAA.
- are geographical, professional and ethnically/racially diverse.

The board chair will periodically remind board members and the executive director to submit board candidate recommendations to be filed for use at the appropriate nomination time.

Terms of office and election procedures will be as specified in the MNRAAA bylaws.

The process for appointment to the board will be as follows:

- The chair will accept recommendations from the board and the executive director and provide such recommendations to the Nominating and Governance Committee.

- The Nominating and Governance Committee will generate a list of potential candidates based on the specific needs of the board; if needed, the board and executive director will solicit additional candidates based on specific needs of the board.
- The board and executive director will review the list and veto any candidates they believe would not be a good fit with the agency.
- Members of the Nominating and Governance Committee or the executive director will contact the candidate and ask if he/she would be interested in serving on the board; if interest is expressed, the candidate will be asked to submit an application/resume and a meeting will be scheduled with the candidate and members of the Nominating and Governance Committee and executive director.
- The meeting with the candidate will include an overview of MNRAAA, board responsibilities and expectations, a review of the candidates' application/resume and a dialogue between members, executive director and the candidate.
- Following the meeting, the candidate may be asked to join the board, serve on a committee, or asked to assist with a special project of the board.
- An appointment to fill a vacancy on the board will be made by a majority vote of the board present at an official meeting of the board.
- The board chair will notify the appointed person and the successful appointee will be seated at the next regular board meeting.

2.25 Meeting attendance requirement

It is the policy of the MNRAAA board that members must attend meetings to maintain governance continuity, to be fully informed about the issues on which they will vote, and to meet their responsibility to contribute to the decisions the board is required to make.

If a board member will be absent from all or part of any meeting, the board member is expected to contact the board chair or the executive director as soon as the need to be absent is known.

See Article III of the bylaws for meeting attendance requirements.

2.26 Compensation of board members

Board members will not be compensated for service on the MNRAAA board.

2.27 Reimbursement of expenses

Board members may only be reimbursed for out-of-pocket expenses actually incurred and given prior authorization by a vote of the board. Claimed expenses must be documented by original receipts.

Reimbursement of authorized out-of-pocket expenses will be according to the same reimbursement policy applied to staff as found in the MNRAAA Employee Handbook.

Some expenses can be deemed unreasonable and unnecessary. Such charges will be deemed personal and not reimbursable without compelling cause and at the discretion of the board.

2.28 Directors' and officers' errors and omissions insurance

It is the policy of MNRAAA to provide directors' and officers' liability insurance. The continuing need for such insurance will be reviewed each time the policy is due for renewal.

2.29 Authorized contact of professional consultants

Only the board chair, the executive director or their designee may contact legal counsel, auditors or professional consultants on behalf of the board. Costs billed to MNRAAA and associated with individual board members contacting legal counsel, auditors or other professional consultants without specific authority from the board of directors, will be billed to the board member making the unauthorized contact.

2.30 Board correspondence

Correspondence from the board will be approved by the board or its chair. Except for reports which are legally required to be sent out over the secretary's or treasurer's name, all correspondence from the board will be over the chair's name. All correspondence from the board will be written on MNRAAA letterhead and will be prepared by the office of the executive director as directed by the board. Use of MNRAAA letterhead will be limited to official agency business only.

No material or information disclosed in executive sessions of the board will be released to any unauthorized person.

2.31 Affiliations

It is important that MNRAAA affiliate with other organizations such as state and national associations. Therefore, the board will include expenses for membership fees in the annual budget. The board will periodically review all affiliations and assess the cost-effectiveness of each before the expense is included in the annual budget.

2.32 Board members speaking for the board to the public or media

Individual board members may not speak to the public or the media on behalf of the board unless authorized by the board to do so.

When speaking about MNRAAA or about board action, board members should be careful to define when their remarks represent personal opinion and when their remarks represent official board position. Board members must be aware that they are always seen as board members even when they designate comments as personal.

2.33 Authority of board members

Board members have authority only when acting as a body in regular or special meetings of the board, or when the full board has granted clearly specified authority to individuals.

The board will not be bound in any way by any statement or action by any individual board member except when such statement or action is in pursuance of an adopted board resolution or special instructions by the board, or under specified delegation of responsibility.

2.34 Board member term limitations

It is important to ensure a constant flow of fresh perspectives and new ideas come to the board. It is also important to maintain a significant number of experienced board members. See Article III of the bylaws for term limitations.

2.35 Political and legislative activity

To ensure that MNRAAA supports legislative issues which further the basic interests of those served, and oppose legislative issues detrimental to its mission, the following guidelines are established:

- MNRAAA shall be nonpartisan in political matters, but shall support or oppose federal, state or local legislative issues as the board determines necessary and advisable. MNRAAA will not directly endorse any candidate or party.
- Employees or board members shall not engage, directly or indirectly in partisan activities as representatives of MNRAAA, and MNRAAA funds will not be used for that purpose.
- Board members and employees are free, as individuals, to participate in political activity as long as they do not utilize MNRAAA funds, MNRAAA time, or the MNRAAA identity.
- Board members and management of MNRAAA should be aware that, because of their position, they should exercise discretion at all times to not convey the impression that MNRAAA is endorsing a political candidate.
- The MNRAAA board is responsible for setting legislative goals for MNRAAA, and will review those goals at least annually.

2.36 Board member orientation and development

The MNRAAA board believes that professional development for board members is vital to good governance of MNRAAA. Therefore, new board members will be given, within 30 days of election, a thorough orientation about MNRAAA, board operations, finance, board ethics, responsibility and liability.

The board will also include in the annual budget of MNRAAA a line item for board development. The line item will be used for training and in-service programs oriented to board operations and that will assist board members to develop their governance skills.

2.37 Step by step process for board member orientation

The following will be the guide for orientation of all new board members:

I. Mission/values of MNRAAA

II. Term of office

- A. board meeting schedule
- B. board/committee structure
- C. expectations of attendance
- D. appointments/removal

III. Responsibilities

- A. board member job description
- B. bylaws
- C. board officers and responsibilities
- D. election of officers
- E. meetings of the board (regular and special)

- F. quorum
- G. conduct of meetings
- H. conflict of interests
- I. code of ethics
- J. liability insurance
- K. expectations of executive director
- L. expense reports
- M. abbreviations and acronyms used by MNRAAA
- N. board goals

IV. Organizational overview

- A. organizational chart
- B. annual reports
- C. area served
- D. financial audits
- E. monthly financial reports
- F. relationship to other organizations
- G. target constituency

V. Board policies

VI. MNRAAA programs

- A. purpose
- B. program plan

2.38 Board self-evaluation

Performance accountability for the board can only be maintained at a high level through regular self-evaluation of the board's work. Therefore, the MNRAAA board will annually conduct a written self-evaluation of the board's performance for the past year. The evaluation will include, but not be limited to:

- quality of meetings.
- committee performance.
- progress on the long-range plan.
- fiscal monitoring.
- cohesiveness of board members.
- quality of the relationship with the executive director.
- exercise of vision on behalf of the organization.
- level of participation in board activities by all board members.
- community/member relations.

It will be the responsibility of the board chair to initiate the board self-evaluation.

2.39 Board members as advocates for MNRAAA

Board members are potentially the most powerful advocates for MNRAAA programs and services, and are expected to take an active role in promoting MNRAAA. Advocacy opportunities for board members include fundraising, legislative advocating and public relations.

The board will annually discuss pending and potential legislative issues that will impact MNRAAA, and develop a report on the official MNRAAA position on those issues. That report will be distributed, as appropriate, to board members, staff, legislators, constituents and other interested parties.

The executive director will regularly bring opportunities for board member advocacy to the board, such as:

- requests for MNRAAA presentations to service clubs and other organizations.
- invitations to display MNRAAA programs at county fairs, home shows and other events.
- public events and gatherings.
- letter writing campaigns.
- appearances before funding bodies.

The executive director will ensure that each board member has a supply of brochures or other materials about MNRAAA programs and services, and inform board members about other equipment and materials available for advocacy activities.

2.40 Board members as volunteers

Members of the MNRAAA board may serve as direct service volunteers for MNRAAA. While serving as direct service volunteers, board members must comply with the same rules governing all MNRAAA volunteers, and be particularly mindful that:

- all volunteers are supervised and directed by staff and accountable to staff.
- board members have no board authority when working as volunteers.

2.41 Measuring community/constituent needs and concerns

The MNRAAA board recognizes the importance of getting feedback from those served. Therefore, the board will regularly review results of Title III grant and contract customer satisfaction surveys. Additional surveys may be done through a variety of methods such as focus groups and written surveys. Information gathered may include, but not be limited to:

- satisfaction with programs and services.
- reaction to potential new programs and services being considered.
- ideas for improvement of current programs and services.
- ideas for new programs and services to meet constituent needs.

The executive director will designate the staff to be responsible for conducting the surveys. Results of the customer satisfaction surveys will be reported at least annually to the MNRAAA board.

2.42 Requests for corporation information from MNRAAA

From time to time the public will request information or records from MNRAAA. To protect MNRAAA and those served, information will be released only under the following conditions:

- All requests for information, other than routine public information, about MNRAAA will be channeled to the executive director for a decision about releasing that information. If there is question about the appropriateness of releasing any information, the executive director will seek advice from the board of directors.
- Information about personnel matters will not be released to anyone outside the organization.
- Information discussed in executive session of the board will not be revealed.
- Proprietary information that could have an adverse effect on MNRAAA finances will not be released.
- Matters considered confidential under state and/or federal law will not be released.
- Information about legal matters that might have an adverse effect on MNRAAA will not be released.
- The MNRAAA mailing list will not be revealed, distributed, released or used except for proper MNRAAA business purposes.

2.43 Public communications

It is the MNRAAA board's policy to encourage release of information to the public regarding programs, board activities and consumer concerns. That communication will:

- maintain integrity in dealing with the public and the news media. The executive director (or designee) is the official spokesperson and shall provide the news media with a formal channel of communication.
- use the various news media for the promotion of MNRAAA programs and raise the community consciousness regarding MNRAAA services.
- communicate in an accurate and honest way, consistent with other related board policies.

2.44 MNRAAA community involvement

MNRAAA will actively participate in the life of the Southwest Planning and Service Area. To accomplish that, MNRAAA will participate in celebrations and other events as may be practical.

2.45 Guidelines for board management of communication from staff and public

It is the policy of the MNRAAA board that when a board member is contacted by a staff member or member of the general public who has a concern or complaint about MNRAAA or persons within MNRAAA, the board member will follow the following procedures:

- remember that individual board members have no power or authority to speak or act for the full board.
- listen to the person's concern.
- express a desire to reach a satisfactory solution.
- explain that the board and management have established a problem resolution process for staff and refer the staff member to the Employee Handbook.
- process public complaints in the manner outlined in Section 2.46 and 2.47.
- assure the person that the executive director will be informed of the concern.
- ask the person to report back to you about the progress or resolution of the concern, if desired.
- inform the executive director of the complaint or concern.

2.46 Guidelines for processing public complaints

From time to time situations may occur that create legitimate complaints on the part of the public or constituents relative to MNRAAA. Complaints must be aired so that all sides of the issue may be heard and a rational procedure or solution found.

Anyone having a complaint is encouraged to file a complaint form. Forms may be picked up at the administrative office. All complaint forms must be signed by the person originating the complaint. The nature of the complaint should be stated as well as the relief sought.

2.47 Step by step process for persons other than MNRAAA staff to file a complaint

Each step in this procedure will give consideration to the complaint and will be a review of facts. Each individual receiving the complaint will issue a written

response within a specific time period. If remedy is not achieved through the steps, the MNRAAA board is the final hearing body.

STEP I -- Formal Process -- The formal process begins with the person filing the complaint. He/she prepares a written statement containing his/her name, address, and telephone number; the condition, situation, or individual being complained about and why; the requested remedy. The form should be signed, dated and filed with the individual closest to the complaint.

STEP II -- If the complainant is not satisfied with the decision at the first level, he/she may present the complaint to the executive director (in writing) and expect response within (5) days from the date it was presented to the executive director.

STEP III -- If the complainant is not satisfied with the decision of the executive director, he/she may submit a copy of the complaint to the MNRAAA board within (10) days of receiving the executive director's decision.

STEP IV -- Within (20) days, the board will have conducted a hearing, from which it has gathered enough testimony and/or other pertinent information on which to base its decision. Once able to reach a majority decision, it will do so in writing to the complainant. This decision is final. See Official Complaint Form, Appendix D.

2.48 Annual report

It is the responsibility of the executive director to assemble and distribute an annual report.

The annual report may contain:

- report from chair.
- report from executive director.
- highlights of the year.
- information regarding type, quantity and cost of services.

The annual report shall receive wide distribution, which may include board, staff, constituents, news media and funding sources.

The annual report shall be presented to the board at the first meeting of the calendar year.

Funding shall be budgeted to ensure this policy will be carried out.

2.49 Retention of records

Retention of business records is important to MNRAAA for several reasons:

- IRS, other government regulators and funders require specific records be retained.
- protection from legal action dictates that certain records, such as personnel records, be retained.
- contracts, investment records, and records of other financial transactions need to be retained for future reference.

See General Records Retention Schedule, Appendix E.

EXECUTIVE DIRECTOR RESPONSIBILITIES & FUNCTIONS

3.1 The executive director's role in the organization

The executive director is an employee of the board of directors and is hired by the board to assist the board in management of the agency. The executive director is delegated by the board to be responsible for all business operations, including management of the assets of MNRAAA; hiring, training, promotion, discipline and termination of employees; and for establishing and maintaining the business organization and structure to efficiently conduct the management functions of MNRAAA.

The executive director plans for and administers a program providing service in accordance with MNRAAA's stated purpose and in such a manner that optimum results are achieved in relation to the resources of the agency, and operates under the general direction of the MNRAAA board of directors.

3.2 Executive director communication/counsel to the board

The executive director will provide information and counsel to the board. Accordingly, he/she will:

- make the board aware of special events, relevant trends, material external and internal changes and the assumptions upon which any board policy has previously been established.
- submit required monitoring data in a timely, accurate and understandable fashion, directly addressing provisions of the board policies being monitored.
- gather as many staff and external points of view, issues and options as needed to make good recommendations to the board for informed board action.
- present information in a form that is understandable and of reasonable length.

3.3 Delegation to the executive director

The board's job is generally confined to establishing topmost policies, leaving implementation of board policy to the executive director. All board authority delegated to staff is delegated through the executive director.

The executive director is authorized to establish all further policies, make all decisions, take all actions and develop all activities, which are true to the board's policies. The board will respect the executive director's choices so long as the

delegation continues. This does not prevent the board from obtaining information about activities in the delegated areas.

No individual board member, officer or committee has any authority over the executive director. Information may be requested by such parties, but if such request, in the executive director's judgment, requires a material amount of staff time, it may be refused.

Acting with the authority granted above, the executive director may not perform, allow or cause to be performed any act which is unlawful, insufficient to meet commonly accepted business and professional ethics for the "prudent person" test, in violation of funding source requirements or regulatory bodies, or contrary to explicit board constraints on executive authority.

Should a situation arise wherein the executive director deems it unwise to comply with a board policy, he/she will inform the board of directors. Informing is simply to guarantee no violation may be intentionally kept from the board. It is not for the purpose of receiving approval. Board response at that time does not exempt the executive director from subsequent board judgment of his/her action.

3.4 Areas of responsibility delegated to the executive director

In the area of **human resources**, the executive director relates both to the board and to the staff but has ultimate responsibility to the board.

For the **board of directors**, the executive director:

- develops and recommends to the board of directors, specific, written, long and short-range plans for the development of agency programs and services.
- maintains appropriate relations with the board and board committees, and keeps them informed.
- interprets trends in the fields of service by maintaining involvement in the professional field as a whole.
- recommends changes to the board.
- assists with orientation and training programs for the board.

For the **staff**, the executive director:

- supervises and directs key staff in the performance of their duties.
- evaluates the performance of key staff members.
- provides overall control of and direction for personnel, including active participation in or approval of personnel actions.

In the area of **planning**, the executive director:

- evaluates services in relation to specified goals and standards, and recommends modifications, where appropriate.
- recommends new programs to the board.
- works with the board to establish a long-range plan for the agency.
- drives the ongoing implementation and review of the long-range plan by both the board and staff.

In the area of **finance**, the executive director:

- oversees development of budgets and is accountable for control of these resources once approved.
- oversees all financial operations of the agency.

In the area of **constituent relations**, the executive director manages all activities, including coordinating board activities in this area.

In the area of **public relations**, the executive director interprets the function of the agency to the community by assisting the board, through direct involvement and through public relations programs, including personal contact, descriptive program literature, and the media.

In the area of **interagency relations**, the executive director:

- maintains appropriate relations with other professional and service groups.
- maintains appropriate relations with federal, state, and local government units.
- maintains appropriate relations with other agencies in similar fields of service.

In the area of **organizational operations**, the executive director:

- recommends policies to the board and/or assists the board in the formulation of policies.
- ensures implementation of the policies adopted by the board.
- has chief administrative responsibility for maintenance of agency facilities.
- carries chief staff responsibility to ensure that legal obligations are met.

3.5 Monitoring executive director performance

Monitoring executive director performance is somewhat synonymous with monitoring organizational performance. The board delegates management to the executive director and must have a process for ongoing monitoring of the executive director's performance of the delegated duties. The purpose of monitoring is to determine the degree to which board policies are being fulfilled.

The board will monitor executive performance by awareness of the executive director's job description, careful attention to all reports delivered to the board and through an annual written evaluation of the executive director's job performance.

3.6 Executive director performance evaluation

It is the policy of MNRAAA to annually evaluate the work performance of the executive director.

Although the evaluation will be facilitated by the executive committee or a special committee appointed by the board chair, the entire board will participate in the evaluation process.

- To begin the process the current job description is reviewed to determine its accuracy and appropriateness.
- An evaluation tool will be selected and sent to all board members with a self-addressed stamped envelope returned to the home or business address of the board chair within ten days.
- Constructive criticism from board members should be specific so that appropriate action may be taken by the executive director.
- A copy of the evaluation checklist is also mailed to the executive director with a request to complete the self-evaluation and develop performance objectives for the upcoming year. The form completed by the executive director will not be included in the board's compilation of results.
- The returned evaluation tools will be used by the board chair to develop a composite evaluation.
- The full board will meet, without the executive director present, to review the composite evaluation and the performance outcomes for the upcoming year.
- The full board will meet with the executive director to present the composite evaluation. Should the executive director be in serious disagreement with part or all of the evaluation, the right to respond to the full board must be available. Such a response should lead to a dialogue in which the problem area can be resolved in a candid and professional way.
- The agreed-upon evaluation will be signed by both the executive director and board chair. A copy of the evaluation will be given to the executive director and saved to the password-protected board chair section of the MNRAAA website. A copy of the evaluation is not kept in the personnel office.
- Board members will not solicit information regarding the executive director's performance from subordinate staff. Staff plays no role in the evaluation. The board recognizes that including staff can seriously erode the relationship which must exist between the executive director and staff.

3.7 Board/executive director relationship

The board of directors recognizes and maintains the following guidelines in the board's relationship with the executive director:

- Good management is recognized as one of the key factors in the success of the agency. The board reserves the authority to establish policies, approve plans and programs and delegate authority to the executive director.
- The board approves policies and long-range plans and programs and delegates authority to the executive director to execute and carry out the policies, plans and programs. The executive director is responsible for hiring capable personnel within the limitations of board policy and budget constraints, and determines appropriate compensation and training. He/she supervises, disciplines and terminates if necessary.
- Board members refrain from individually discussing management and personnel issues with other staff. The board, in consultation with the executive director, may confer with key personnel at regular or special meetings of the board.
- Authority for management will be through the board of directors to the executive director, then to other staff. The board requires full and timely information from the executive director concerning pertinent matters that relate to the management of the agency.
- The board recognizes that efficient management can exist only through mutual understanding and cooperation between the board and the executive director. The board also recognizes that the executive director is accountable to the board to show results, but the executive director cannot perform well and show good results if not given latitude to exercise independent judgment in executing board policy. Therefore, the board grants that latitude of judgment and discretion, and expects accounting of performance from the executive director.
- The board recognizes its position as the employer of the executive director and will be responsible for a systematic annual evaluation of the executive director's performance. The evaluation will be for the purpose of improving the executive director's performance.

3.8 Board/executive director responsibilities

To assist the board and executive director to work together, the following principals will guide them in determining their responsibilities:

- Responsibility for determining general policy shall be entrusted to the board. The executive director shall keep the board informed regarding the progress of all important programs of the agency.
- The board represents the public in setting the goals and establishing the basic policies and long-range goals for the agency. It shall refrain from involvement in the administrative functions except to monitor and evaluate.

- The board shall transact official business with staff only through the executive director.
- The executive director shall be responsible for administering the program in accordance with board policies and regulations.
- The executive director shall be responsible for the selection and assignment of staff. This responsibility may be delegated by the executive director to other supervisory personnel.
- The executive director and staff shall prepare, and submit for board action, an annual program plan and budget.
- The executive director shall provide the board with data and information to enable the board to make effective decisions.
- The executive director shall provide the board with periodic reports as the board feels are necessary to allow board members to make accurate decisions.

3.9 Executive director succession policy

A policy for executive director succession must include two parts—the process the board will follow to replace a resigning or retiring executive director, and a process to continue uninterrupted service in the event of sudden loss of the executive director.

Resigning or retiring executive director

The process for replacing a resigning or retiring executive director will be as follows:

- The board will determine the exact resignation or retirement date of the current executive director.
- The board will determine a specific target date to bring on a new executive director. This target date will be flexible to allow the selected candidate some latitude in determining the beginning date.
- The board will designate an interim executive director to serve for the time between the ending date of the current executive director and the beginning date of the new executive director. Board members are not eligible to serve as the interim executive director.
- The board chair will nominate a Search Committee of not less than three board members and not more than five board members. The board chair may appoint up to two additional Search Committee members from outside the board such as emerging leaders, former board members, community leaders or other persons who would be a valuable resource to the committee. The board chair will seek board approval of the nominees.
- The board will consider the need for any changes to the management structure before the search for a new executive director.
- The Search Committee will begin as soon as possible to:
 1. update the job description for the executive director.

2. develop a profile of the preferred candidate.
 3. determine the feasibility of utilizing a search firm to assist the board in the search.
 4. determine salary range.
 5. identify appropriate advertising to be used.
 6. establish a schedule to complete interviews, reference and background checks and final selection.
 7. determine who will conduct the interviews and what questions will be asked.
 8. determine the extent of staff and community involvement in the search process.
 9. establish a process for communicating search progress to the board and staff.
- The Search Committee will seek approval of the full board for all of the above.
 - The Search Committee will recommend two to three candidates for review.
 - The board will interview the final candidates and select the new executive director.
 - External candidates and current employees will be invited to apply for the position.
 - The board will set dates for three-month and six-month reviews of executive director performance. These reviews will be informal discussions between the board and executive director for the purpose of assisting the executive director to understand board needs and intent, as well as affirmation of good executive director performance. The board will do a formal written performance evaluation of the executive director after approximately one year of employment and then annually.

Sudden loss of executive director

The process to continue uninterrupted service in the event of sudden loss of the executive director will be as follows:

- Annually, the board will designate one staff person who will assume the duties of the executive director if, in the judgment of the board of directors, that becomes necessary.
- The current executive director will compile a list of vital instructions for an interim executive director and update as needed.
- The list will include, but not be limited to, such information as:
 1. staff flow chart showing chain of command and a list of responsibilities of all management personnel. The list will also include special instructions about which staff members should be consulted for special assistance in such areas as personnel management, maintenance, finance, computer operations and other essential functions of the organization.
 2. location of all bank accounts and financial records, and instructions about disbursement authority.
 3. location of all vital documents, such as policies and contracts.

4. location of key computer files on the MNRAAA shared and OneDrives.
- If it becomes necessary to implement these emergency procedures, the board of directors will meet as soon as possible with the management team to:
 1. establish a plan for continued operation.
 2. officially designate the selected staff person to be the interim executive director.
 3. establish a schedule of board meetings to provide adequate support for the interim executive director.
 - As soon as possible after the designation of the interim executive director, the board will implement the applicable procedures from the first half of this policy.

BOARD MEETINGS

4.1 Conduct of meetings

So meetings may be conducted in the most orderly manner, discussion of agenda items will be limited to communications among board members, between the board and the executive director, and among the board, executive director and those the board and executive director request to make presentations.

4.2 General rules of conduct for board meetings

- Board meetings begin promptly at the time stated on the agenda. As a matter of courtesy to other board members, and to allow meetings to operate in an efficient and businesslike manner, all board members are expected to be in attendance when the chair calls the meeting to order.
- Board members should schedule enough time to be able to remain for the entire meeting. Entering a meeting late or leaving early is disruptive to the meeting.
- Standard business casual dress is appropriate for most board meetings unless announced otherwise prior to the meeting.
- Board members should bring necessary materials with them to the meeting, including the meeting packet sent prior to the meeting, as well as board books. Duplicate materials will not be provided at the meeting.
- Short breaks, 10 to 15 minutes, will be scheduled during all meetings. Board members are expected to return promptly to the meeting as soon as the announced break time has expired.
- Board members are expected to be courteous and respectful to others at the meeting regardless of disagreements, which are a natural part of board deliberations. The chair will not tolerate personal attacks or crude language of any kind.
- Cell phones should be turned off or switched to vibrate so the meeting is not disrupted. Making or returning calls should be done during the breaks in the meeting.

4.3 General rules for board debate and discussion

Motions for action by the board will be made in the following manner:

1. A member addresses the chair.
2. The board member is recognized by the chair.

3. The board member begins by saying, “I move that...” and states the motion. If the motion is lengthy or complex, it should also be presented in writing to the secretary.
4. Another board member must second the motion.
5. The chair will restate the motion as, “It has been moved and seconded that...” and repeats the exact motion, then asks if there is discussion of this motion.
6. When the chair determines that the issue has been adequately debated, the chair will repeat the exact wording of the motion (or ask the secretary to read the motion) and then will ask the board to vote. “Those in favor of the motion, say ‘yes’ (or ‘aye’) Those opposed to this motion say ‘no’ (or ‘nay’).
7. The chair will state the outcome of the vote and what action will be taken.
 - Individual board members are encouraged to limit discussion on each issue so that all may address the issue.
 - Debate will be confined to the issue under consideration, and the chair is expected to declare extraneous debate out of order.
 - The issue under consideration is not personal, it is an issue. Personal attacks, abusive language, sarcastic remarks, and derogatory language are never acceptable in the debate of an issue. The chair will not tolerate such discussion.
 - When a controversial issue is discussed, the chair will ensure equal comment on both sides of the issue.

4.4 Distribution of materials to be considered by the board

So that board members are able to prepare for meetings at their convenience, and have as much time as possible to study issues that will appear on the next board meeting agenda, the executive director will distribute those materials, explanations and recommendations, as soon as possible to all board members throughout the interim between board meetings. The materials, explanations and recommendations will also be distributed as the agenda packet at least five days prior to the board meeting.

4.5 Handouts at board meetings

Handouts at the board meeting should be avoided if possible, because it is disruptive to the meeting to have board members attempting to read and digest the handout and still participate in the board meeting. When it is necessary to distribute last minute materials to the board after the final board packet has been sent, ready-made copies should be presented to staff for distribution at the meeting.

4.6 Annual board calendar

Before the beginning of every board year the board will establish a calendar of events for the board year. The calendar will list items that regularly require board action during specific times each year. The calendar will include, but not be limited to:

- approval of MNRAAA budget.
- board development activities.
- evaluation of board performance.
- approval of Area Plan on Aging.
- new board member orientation.
- board meeting dates, times, locations.
- evaluation of executive director's performance.
- MNRAAA annual meeting.
- appointment to committees, seating of new board members, election of officers.

4.7 Regular meetings

MNRAAA will hold no less than four (4) regular meetings each calendar year on a quarterly basis. So that board members can schedule for the meetings well in advance, the specific dates will be established for the upcoming year at the board's last meeting of the current year. The board will make every effort to maintain those dates for its meetings.

4.8 Special and emergency meetings

Special or emergency meetings of the board should be called only rarely when the business to be addressed cannot wait until the next regularly scheduled meeting. See Article III of the MNRAAA bylaws.

4.9 Absence from meetings

See Article III of the MNRAAA bylaws.

4.10 Open board meetings

It is the policy of the MNRAAA board to hold open board meetings using the following guidelines:

- agendas will be provided to guests at the beginning of the meeting.

- guests may comment to the board only at the designated "Open Forum" section on the agenda or when the board requests public comment.
- when dealing with confidential matters the board may elect to go into closed session.
- board committee meetings are not generally open to non-board members or designated staff except at the invitation of the committee.

4.11 Closed meetings

All regular meetings of the board will be open to the public except as specified below. The board will close its meetings when:

- discussion by the board could harm the reputation and character of any person.
- information discussed by the board could have an adverse legal impact on the organization's legal position if the information were public knowledge.
- information discussed by the board could have an adverse financial impact on the organization if the information were public knowledge.

To close a meeting, a motion must be made and approved by a majority of the board stating the specific reasons for closing the meeting. Business conducted in the closed session must pertain directly to the stated purpose for closing the meeting.

4.12 Meeting agenda packet

All matters to be considered by the board at the meeting will be included on the agenda and in the board packets sent to board members at least five days prior to the meeting. The board may vote to waive this requirement to discuss only items on the published agenda by a majority vote of the board.

Meeting agendas will be developed by the executive director in collaboration with by the board chair prior to distribution to other board members.

All board members will have an opportunity to request items be placed on the agenda prior to the agenda being published and distributed.

The agenda may be amended after the meeting is convened only in cases where immediate action on the item is necessary, or when the item is for board information, and only by consensus of a majority of the board members. A board member or the executive director may request changes to the agenda during the item on the agenda that asks the board to approve the agenda.

The MNRAAA board meeting agenda will approximate the following outline:

- call to order by the board chair or other presiding officer and determination of a quorum.
- approval of the consent agenda; which shall include the minutes of the previous meeting, approval of the current agenda, and written committee or staff reports which require no discussion.
- public forum.
- consideration and acceptance of the treasurer's report.
- standing committee reports and recommendations for board action.
- special committee/task force reports and recommendation for board action.
- unfinished business.
- new business.
- adjournment.

4.13 Use of consent agenda

MNRAAA board of directors will utilize a consent agenda at its regular meetings in order to expedite the approval of reports and routine administrative matters. All reports and materials listed on the consent agenda must be provided to the board in advance of the meeting and board members are expected to have read all those materials in advance of the meeting. MNRAAA will regularly include the following on its consent agenda:

- minutes of the previous meeting.
- approval of the current meeting's agenda.
- committee reports which require no action.
- staff reports which require no action.
- other information of which the board should be aware, but no immediate discussion or action is required.

The chair will ask the board if anyone wants an item removed from the consent agenda for discussion. Any board member may ask for an agenda item to be moved off the consent agenda in order to have discussion and possible action. The chair will then determine where the item will fall on the regular agenda, with standard procedure being to place it at the end of the agenda. The other items remaining on the consent agenda are then voted on with one motion with no discussion permitted.

The board may choose to allow the chair to declare the consent agenda approved without a vote if there are no objections.

4.14 Meetings by conference call

It is not the usual practice of the MNRAAA board to hold meetings by conference telephone calls. However, some situations may dictate that some board

members cannot attend the meeting in person, but may attend via telephone conference call. In those cases, any or all of the board members may participate in the meeting by conference telephone.

All board meetings in which one or more of the board members are participating by telephone will be conducted under the following rules:

- All board members participating in the meeting must be able to hear each other.
- All rules for calling meetings and notification of board members as spelled out in other sections of this policy manual will apply.
- All rules for conduct of meetings, including role call and quorum, will be followed.
- Minutes of the meeting will be kept. Minutes will be reviewed and adopted by the board at the next regularly scheduled board meeting.

4.15 Staff attendance at board meetings

Since it is the policy of the MNRAAA board to hold the executive director accountable for all management of MNRAAA, it is left to the executive director to invite any staff to the board meeting that the executive director needs as a resource for issues the board will consider during the meeting.

4.16 Public board meetings

The MNRAAA board welcomes and encourages visitors to attend regular meetings of the board. However, those attending board meetings, other than the board and management team members, will be asked to sit away from the board table in an area designated for visitors to the meeting.

Visitors will also be asked to refrain from taking part in the board's deliberations except upon request from the board, and otherwise not disrupt the board's work.

Visitors may ask for time on the board agenda if the request is made to the executive director at least three days in advance of the board meeting. The executive director and the board chair will determine if the request to be on the agenda is honored, and how much time will be allocated to the agenda item.

On occasion, board deliberations may include sensitive issues not appropriate for discussion with visitors present. At that time, the board will vote to close the meeting to anyone other than the board, executive director and any staff at the meeting deemed appropriate to attend. The board chair will request that visitors leave the meeting. In closed session, the board may continue to do business as if in open session.

4.17 Electronic recordings of board meetings

To ensure the greatest amount of discussion and debate at board meetings and committee meetings, no electronic recording devices will be permitted for use by individual members or guests at the meeting.

4.18 Public forum

Each meeting agenda, except special meetings of the board, will include an item that is allocated no more than fifteen minutes and labeled "Persons to be Heard." All persons, other than board members, wishing to speak during the forum will, prior to the meeting, complete a written form listing the speaker's name, issue to be addressed and name of organization represented. The form will be handed to the board chair. See Appendix F.

4.19 Voting

All members of the MNRAAA board who are present when a question is put forward will vote upon the question unless excused by the other members present or unless disqualified by conflict of interests. Results of the vote will be recorded.

Voting on all motions will be by voice unless requested otherwise by a member of the board, at the direction of the chair, or required by these policies.

Voting to elect officers of the board will be by secret ballot.

A board member who is present at a meeting of the board at which action is taken on any corporate matter, will be presumed to have concurred in the action taken unless the dissent of the board member is entered in the minutes of the meeting. Such dissent will be indicated by a simple "no" vote on the action.

A board member who is absent from a meeting of the board at which action is taken will be presumed to have concurred in the action unless the board member files a written dissent with the secretary of the board within a reasonable time after learning of the action.

4.20 Proxy voting

Proxy votes (one board member bringing the vote of another board member, or a letter of proxy for particular actions) may not be used at any board meeting. It is important that board members be able to interact face to face while deliberating the issues.

4.21 Board alternates

Board alternates attending a meeting in place of a board member will not be permitted. Alternates do not have the background or the legal standing as a duly appointed/elected board member that is required to act on MNRAAA issues.

4.22 Quorum

See Article III of the bylaws for the definition of a quorum.

4.23 Disqualification for voting

No member of the MNRAAA board may vote on any matter in which the board member has a direct or indirect financial interest.

No member of the board nor any employee of MNRAAA will have proprietary business dealings with MNRAAA which directly or indirectly results in gain or profit to such board member or employee unless he/she first files a sworn statement with the board chair of the intent to have such business dealings, and states therein the nature, type, and extent of the transaction and interest of the board member or employee. Remaining board members must, by majority vote, give approval.

4.24 Minutes of the board meeting

Records of all actions of the board will be set forth in the minutes of the meeting. Minutes will be kept on file as the official record of the MNRAAA board.

The secretary shall take minutes or cause them to be taken at all regular and special meetings and distribute them when notice is given for the next meeting. However, it is vital that all members of the board and the executive director be able to fully participate in the discussions and deliberations, so minutes will be recorded in writing during each meeting by a member of the MNRAAA staff or by a volunteer, not by a member of the board or by the executive director.

Minutes of the meeting are a record of the actions of the board, not a record of discussion. Minutes of MNRAAA board meetings will include:

- the date, time and place the meeting was called to order.
- the type of meeting--regular, special or emergency.
- the name of the presiding officer.
- a statement that a quorum was or was not present.
- the names of those board members present and the names of those board members absent from the meeting.

- the exact wording of all motions, whether passed or failed.
- disposition of each motion made--passed or failed. If the vote is by roll call, each board member's vote will be recorded by name. When a ballot vote is taken, the number voting for and the number voting against will be recorded. No views, protests or explanations from board members about the vote will be recorded in the minutes unless the full board votes to allow such entries.
- notation of each committee report.
- notation that financial reports were examined by the board.
- notation of time of adjournment of the meeting.

Committee reports or resolutions may be attached to the minutes if these items are important clarification for the minutes of the meeting.

The secretary and chair shall sign minutes and any corrections to them, when duly adopted by the board. The minutes of the meeting shall not be deemed correct until adopted at a regular or special meeting of the board.

4.25 Distribution of minutes of board meetings

So that board members can accurately review the minutes taken of the meeting, copies of the unapproved minutes of each board meeting will be distributed to all board members within five days of the next scheduled meeting.

4.26 Parliamentary authority

Meetings of the MNRAAA board shall proceed under "Robert's Rules of Order" or any other rules of order as may later be approved and adopted by a super-majority of the board in all cases where current bylaws and current board policies do not apply.

ORGANIZATIONAL FINANCES

5.1 Fiscal year

The fiscal year of MNRAAA will be the first day of January through the last day of December.

5.2 Financial management

Financial resources of MNRAAA are the responsibility of the board of directors. The board will:

- have a clear plan for acquisition of financial resources to pay for the programs and services provided by MNRAAA.
- provide guidelines for management and allocation of financial resources which will produce optimum benefit for those served.
- monitor and evaluate the financial plans and guidelines of MNRAAA to ensure the financial integrity of MNRAAA.

5.3 Financial policies and procedures

See Appendix G and Appendix H.

5.4 Audit committee

The MNRAAA board will annually appoint an Audit Committee. See Chapter 8, Committees of the Board.

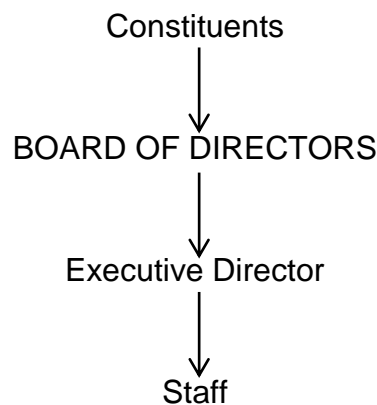
5.5 Whistleblower protection

It is the responsibility of all board members and staff of MNRAAA to report suspected fraud or financial malfeasance. See Appendix I, Whistleblower Policy.

EMPLOYMENT POLICIES

6.1 Chain of command

The MNRAAA board believes strongly in the chain of command:



The board is concerned about the needs and success of staff, and will work through the chain of command to facilitate the success of all MNRAAA staff.

The board expects all staff to respect and follow the chain of command when registering complaints, making suggestions and in any other way communicating with the board about the business of the organization. Staff members who take complaints, requests, criticism or other organization business directly to the board or individual board members without working through the executive director will be considered insubordinate and subject to disciplinary measures by the executive director.

The board expects all board members to respect and follow the chain of command when communicating with staff about the business of the organization. Board members will not take complaints, suggestions, requests or demands to the staff except through the executive director. When a board member receives a complaint or suggestion from a staff member other than the executive director, the board member will remind the staff member of the board's policy about following the chain of command. The board member will also report the staff communication to the executive director.

6.2 Personnel policies

Personnel policies are published in a separate Employee Handbook that has been reviewed by legal counsel for accuracy and completeness and approved by the board. All new employees will be given a copy of the most recent Employee

Handbook and will sign acknowledgment of such receipt. Updates to the Employee Handbook will be posted on the MNRAAA cloud based shared drive. Employees will be notified of the change(s) and will sign acknowledgment of such receipt. The Finance Director will be responsible for regularly reviewing the Employee Handbook and presenting needed updates to the board for approval.

Implementation and administration of all personnel policies are the responsibility of management.

6.3 Nepotism

Board members may not be employed by MNRAAA, except by vote of the board.

BOARD OFFICERS

7.1 Officers of the board and job definitions

Officers of the board will be a chair, vice-chair, secretary and treasurer elected by a majority vote of the board.

The board will elect each officer from its membership at its annual meeting. Officers will assume their duties on January 1.

Chair Duties:

- Have general active management of the business of the agency.
- Encourage commitment and cooperation from each board member.
- Have integral role in hiring process of executive director.
- Lead the organization toward the accomplishment of its mission.
- Work with the executive director to develop strong cooperation between the board and executive director:
 - collaborate on preparation of board meeting agendas.
 - act as a sounding board on difficult issues for the executive director.
 - encourage the executive director to build the board/executive director relationship.
 - act as liaison between the board and executive director.
- Preside at board meetings:
 - work to keep the meeting on target and productive.
 - encourage all board members to fully participate.
 - prevent and resolve conflicts among members.
 - maintain an orderly atmosphere of good business.
- Ensure policy decisions are carried out and resolutions are carried into effect.
- Appoint standing and ad-hoc committees and committee chairs.
- Act as ex-officio member of all committees except the Nominating and Governance Committee.
- Encourage all committees to function well and be accountable to the full board.
- Act as a representative of the board in all matters of board policy.
- Help the board interpret board policy.
- Sign official documents requiring signature.
- Execute all contracts or instruments of the agency above \$10,000. In special circumstances, the board may empower the executive director or finance director, through board action that is recorded in the minutes, the ability to execute sub-contracts, purchase orders and/or payment requests above \$10,000 for specific contracts designated by the board.
- Represent the board in public and official capacities as instructed by the board. Be responsible for carrying out the policy decisions of the board.

Ensure all resolutions of the board are carried into effect. Have integral role in hiring process of executive director.

- Represent the board in public and official capacities as instructed by the board.
- Chair the Executive Committee.
- Make special assignments and appoint representatives to other organizations.
- Encourage the board to do long-range planning.
- Assist and encourage board members to build their skills.
- Recognize board member violation of ethical standards and bring such violations to the attention of the board member or to the full board if necessary.
- Act to discipline board members who violate ethical standards of the board.
- Encourage all board members to participate in board activities.
- Ensure that all board members' views are represented in board meetings.
- Maintain record of proceedings of the board.
- Perform other duties as prescribed by the board.

Vice-Chair Duties:

- Preside at board meetings in the absence of the chair.
- Work with the chair to be prepared to assume that office if necessary.
- Manage special assignments as requested by the chair.
- Serve on the Executive Committee.
- Execute all contracts or instruments of the agency when the chair is unavailable.
- Perform other duties as prescribed by the board.

Secretary Duties:

- Oversee the process of taking minutes.
 - coach staff member or volunteer about proper procedure.
 - ensure the minutes are safely archived.
- Oversee other records of the board, including the Articles of Incorporation and any historical documents.
- Research organization records, when necessary, for information for the board.
- Maintain records of election and appointment dates of committee members.
- Ensure all official documents are saved to the MNRAAA cloud based shared drive.
- Serve on the Executive Committee.
- Perform other duties as prescribed by the board.

Treasurer Duties:

- Oversee the financial records of the organization.

- Ensure the board regularly receives reports of the financial condition of the organization.
- Work with the finance director to provide the board with insight and knowledge of financial plans, controls and results.
- Work with the finance director to assist the board to understand the annual budget before approval by the board.
- Arrange in-service programs for the board so members can better understand the financial reporting process.
- Examine monthly financial reports to interpret trends and projections and to inquire regarding operating policies, plans and decisions.
- Assist the finance director to interpret monthly financial reports to the full board.
- Ensure the board arranges for an annual audit of the organization's financial records.
- Chair the Finance Committee.
- Serve on the Executive Committee.
- Perform other duties as prescribed by the board.

7.2 Officer election process

The board of directors will follow the following procedures in electing its officers:

- Election will be by paper ballots at the annual meeting, after any new or reelected board members are confirmed.
- Only board members present for elections will be allowed to vote for officers. There will be no "absentee ballots," voting.
- Officer candidates must have consented to seek office before their name is placed in nomination.
- Nominations will be open for any eligible candidate who has given prior consent.
- Board members will encourage candidates to disclose their interest in the office.

7.3 Terms of office

Terms of all officers will be for one year. Only properly elected or appointed members of the board may serve as officers of the board. Each officer may be reelected for second and third consecutive terms to the same office, and then may stand for election for that same office again only after at least one year of absence from that office.

7.4 Officer authority

Officers of the board are elected to be servant-leaders of the board. All authority of the officers is delegated to them by the board of directors. No officers will have any authority to speak or act on behalf of the board other than that authority specifically granted in the MNRAAA bylaws, in board policy or by majority vote of the board of directors.

7.5 Vacancies of officer positions

If a vacancy occurs in any elected office because of resignation, death, ineligibility to hold office, or formal removal of an officer by the board, the board will proceed to fill the vacancy according to its bylaws.

If the vacancy occurs in the chair's office, the vice-chair will assume the office as soon as the board of directors declares the position vacant. The vice-chair will hold the office of chair until the board elects a new chair.

7.6 Removal of officers

See Article IV of the bylaws.

COMMITTEES OF THE BOARD

8.1 Committee purpose

The board may establish or abolish standing or special committees as necessary. It will be the purpose of any committee appointed by the MNRAAA board to assist the board to govern more efficiently. A board committee is not designed to do staff work. Committees will be used to investigate, deliberate and analyze special issues on behalf of the board.

8.2 Committee authority

Board committees, when used, will be assigned to reinforce the board's work and never to interfere with delegation from board to executive director. Accordingly:

- Board committees are to help the board do its job, not to help or to 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.
- 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 to not conflict with authority delegated to the executive director.
- Board committees cannot exercise authority over staff. Because the executive director works for the full board, the executive director will not be required to obtain approval of a board committee before an executive action.
- 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.
- This policy applies to any group formed by board action, whether or not it is called a board committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the executive director.

8.3 Committee accountability

Committees are a subsidiary of the board and will be expected to report their work to the full board on a regular basis. Each committee will be expected to make recommendations to the board for action. Such recommendations are to

be made by a member of the committee in the form of a motion at a full board meeting.

The MNRAAA board will annually review the work of each committee and determine which committees will be reappointed and which committees will be dissolved as no longer necessary.

8.4 Appointment of committees

The chair of the board will appoint the chair of each committee and all committee members, taking into consideration the preference of the board members for committee assignment. Board members will be polled as to their committee preference.

Non-board members may be appointed to some committees if special expertise is required beyond what is available from board members. Appointing board members from outside the board allows the board to tap special skills, develops new connections between the organization and members of the community and cultivates future board members.

8.5 Committee report form

All MNRAAA committees will submit a written report to the MNRAAA office in adequate time for the report to be included in the meeting packet. See Appendix J.

8.6 Ex officio committee members

The chair of the board will be an ex-officio member of all committees, but will only vote on the committee to which he/she is assigned. The executive director or the executive director's delegated representative will be a non-voting member of all committees and serve as a resource to the committee.

8.7 Staff support for committees

The executive director, or a staff member appointed by the executive director, will serve as a non-voting member of every board committee. The staff member will provide the following support to the committee:

- maintain committee rosters.
- prepare meeting agendas.

- prepare and mail notices of committee meetings, agenda packets and other materials as required.
- arrange committee conference calls when necessary.
- record the minutes of the committee meetings.
- maintain permanent committee files.

Staff members do not make committee reports to the board.

8.8 Duties of committee members

Duties of the members of individual board committees will vary, but certain basic committee member responsibilities remain the same for all committees. Those responsibilities include:

- attending all meetings of the committee to which the board member is assigned or appointed.
- preparing for committee meetings by studying the agenda and researching issues to be discussed at committee meetings.
- participating in discussions at committee meetings.
- following through promptly on any assignments for the committee.
- supporting committee recommendations before the full board.

8.9 Committee meetings

The committee chair will convene all meetings of the committee or a majority of the committee members may call a committee meeting. Meeting dates will be coordinated with the executive director to avoid conflict and to ensure completion of staff support and research for the committee.

Minutes will be kept of committee meetings. Committees will submit a written summary of committee actions and recommendations to the board in the board meeting packet. If a committee meeting is held after the meeting packet is sent, the minutes will either be emailed to members or provided at the meeting at which committee recommendations will be considered.

8.10 Guidelines for the committee chair

The committee chair is expected to lead the committee just as the board chair leads the board. The chair is accountable to ensure the productivity of the committee and to ensure that the committee is accountable to the full board for whatever task is assigned to the committee.

The committee chair normally has no more power than any other committee member other than to call meetings of the committee, to convene a meeting and to lead the committee through the meeting.

Duties:

- Keep the committee focused on the larger mission of the organization as the committee pursues the committee's assigned mission.
- Ensure all committee members have necessary materials:
 - list of committee members, with phone numbers and email addresses.
 - instructions from the board to the committee – the committee charge or job description.
 - statement of the powers and limitations of the committee.
 - background and support material pertinent to the subject to be discussed.
 - minutes of past committee meetings.
- Ensure all members of the committee are notified of committee meetings.
- Plan the agenda for the committee meetings.
- Convene committee meetings and keep meetings on track.
- Encourage the committee to form recommendations to the full board.
- Appoint a member of the committee to keep a written record of committee actions.
- Ensure that committee reports and recommendations for action are presented to the full board.
- Lead the committee to evaluate its own operations at least annually.

8.11 Executive committee

The Executive Committee shall be comprised of the chair, vice-chair, secretary and treasurer. The executive director shall serve as staff to the committee and the board chair shall chair the committee.

The committee shall meet as necessary and appropriate at the call of the chair or the executive director and shall maintain minutes of all meetings, which will be regularly approved by the committee and distributed to the board and ratified by the board at their next meeting. A majority of the committee members, present and voting, shall constitute a quorum.

Duties:

- May be authorized by a super-majority of the board to act on the board's behalf from time to time.
- Meet as necessary to prepare issues to be presented to the full board.
- Serve as an advisor to the executive director, providing consultation, support and guidance on an informal basis as requested.
- Present to the board an annual evaluation of the performance of the executive director.

- Perform such other duties as may, from time to time, be required by the board.

The Executive Committee shall not have the power to:

- Amend the bylaws.
- Appoint or remove board members or the executive director.
- Approve a dissolution or merger of MNRAAA's assets.
- Adopt the budget.
- Take any action that is contrary to, or a substantial departure from, the direction of the board, or which represents major change in the affairs, business or policy of MNRAAA.

8.12 Finance committee

The chair shall annually appoint a Finance Committee which shall include the treasurer and at least two other board members. The finance director and executive director shall serve as staff to the committee. The committee may include non-board members whose experience in accounting, finance or business may assist the committee and the board in the performance of their financial oversight responsibilities. The treasurer shall chair the committee. A quorum of the committee members present and voting shall constitute a quorum. However, at all times a majority of the committee and a majority of a quorum shall consist of board members. The committee reports to the board.

The committee shall meet no fewer than six times per year, at the call of the committee chair, executive director or finance director and shall maintain minutes of all meetings, which shall be regularly approved by the committee, distributed to the board and ratified by the board at their next meeting.

Duties:

- Plan, develop, implement, monitor and evaluate the agency's policies and programs for funding.
- Review the proposed agency budget prior to it being presented to the full board.
- Assist the finance director to present the proposed budget to the full board for approval.
- Review every financial statement posted on the password-protected board section of the MNRAAA website prior to the board meeting. The committee may review the list of bills, but this is not necessary, not very productive and does not give the committee a good picture of the overall financial status of the agency. The committee studies financial reports and looks at current status as compared to the budget.
- Report to the full board findings of the review of financial statements including explanations of deviations from the board budget.

- Ensure the board receives clear written financial reports at least monthly.
- Review the results of the annual audit of the agency's financial records.
- Recommend investment policy to the board.
- Review the sources of funding for the organization to ensure stability.
- Report to the board on other financial matters as deemed appropriate by the board.
- Monitor and ensure safeguarding of assets.
- Monitor compliance with federal, state and other financial reporting requirements.
- Ensure the organization has appropriate policies and guidelines for accepting gifts and donor solicitation.
- Work with finance director and treasurer in developing long-range financial and capital plans.
- Perform such other duties as may from time to time be required by the board.

8.13 Audit committee

The chair, with approval from the board, shall annually appoint an Audit Committee consisting of one board member (not a member of the finance committee) and no fewer than three non-board members. The finance director shall serve as staff to the committee. The committee shall have access to financial expertise whether in the form of a single individual serving on the committee, or collectively among the committee members. The committee reports to the full board and maintains lines of communication with management and the independent auditor.

The committee is not a policymaking body, but shall meet as necessary and appropriate, but no fewer than two times per year, upon the call of the committee chair, executive director or finance director. The committee shall maintain minutes of all meetings, which shall be regularly approved by the committee, distributed to the board and ratified by the board at their next meeting. A majority of the committee members, present and voting, shall constitute a quorum.

Duties:

- Be familiar with "The AICPA Audit Committee Toolkit: Not-for-Profit Organizations", www.aicpa.org/audcommctr/toolkitsnp/.
- Recommend to the board the appointment and fees of an independent auditor.
- Review the terms of the auditor's engagement each year and consider auditor rotation at least every five years.
- Recommend approval of any non-audit services performed by the auditing firm.
- Review the scope and plan of the audit proposed by the independent auditor.
- Oversee the performance of the auditor.
- Recommend approval of the annual audit report to the full board.

- Conduct a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditor.
- Confer with the auditor in executive session to ensure the affairs of the agency are in order.
- Inquire of management and the independent auditor about significant risks or exposures facing the agency; assess the steps management has taken to minimize such risks; and periodically review compliance with such steps.
- Review the adoption, implementation and adequacy of the agency's internal control structure.
- Monitor compliance with the agency's code of ethics/conduct and conflict-of-interest policy.
- Oversee policies and procedures for encouraging whistleblowers to report questionable agency accounting or auditing matters.
- Review, with agency's counsel, any legal or regulatory matters that could have a significant effect on the agency's financial statements.
- Institute special investigation and, if necessary and appropriate, recommend to the full board the hiring of special counsel or experts to assist with the investigation.
- Prepare an Audit Committee Annual Report.
- Perform other oversight functions as may be requested from time to time by the full board.

8.14 Nominating and governance committee

The Chair shall annually appoint members to the Nominating and Governance Committee. It shall include a maximum of five board members, including a minimum of one officer of the board. The executive director and finance director shall serve as staff to the committee. The committee shall be responsible for matters related to board membership and human resources.

The committee shall meet as necessary and appropriate, but no fewer than two times per year at the call of the chair of the committee or the executive director, and shall maintain minutes of all meetings, which shall be regularly approved by the committee, distributed to the board and ratified by the board at their next meeting. A majority of the committee members, present and voting, shall constitute a quorum.

Duties:

- Lead the board in regularly reviewing and updating the board's statement of its roles and areas of responsibility, and what is expected of the individual board members.

- Assist the board in periodically updating and clarifying the primary areas of focus for the board, shape the board's agenda for the next one or two years, based on the strategic plan.
- Lead in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider in order to accomplish future work of the board.
- Develop a profile of the board as it evolves over time.
- Identify potential board member candidates and explore their interest and availability for board service. Maintain a file of potential board members. Nominate individuals to be elected as members of the board.
- In cooperation with the board chair, contact each board member to assess his or her continuing interest in board membership and term of service. Work with each board member to identify the appropriate role he or she might assume on behalf of the agency.
- Design and oversee a process of board orientation.
- Design and implement an ongoing program of board information and education.
- Initiate periodic assessment of the board's performance. Propose, as appropriate, changes in board structure and operations.
- Provide ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness.
- Review the board's practices regarding member participation, conflict of interest, etc., and suggest improvements as needed.
- Review and update the board's policy guidelines and practices.
- Take the lead in succession planning, taking steps to recruit and prepare future board members.
- Nominate board members for election as board officers.
- Draft and/or revise personnel policies for board approval.
- Review job descriptions.
- Review, on an annual basis, staff salaries; make a recommendation to the board regarding salary increases.
- Review the benefits package; recommend changes to the board.
- Meet with the executive director and finance director when there are personnel issues. In instances where the personnel issue is with the executive director, the committee will only meet with the finance director. In instances where the personnel issue is with the finance director, the committee will only meet with the executive director.
- Perform such other duties as may from time to time be required by the board.

8.15 Planning committee

The chair shall annually appoint members to the Planning Committee. It shall include a minimum of one officer of the board and up to eight non-board members, approved by the board. The executive director shall serve as staff to the committee and may ask other staff to participate, based on the subject matter of a meeting. This committee is an advisory committee and is subject to the control and direction of the board. The board shall have the sole authority and discretion to decide whether it will act on any advice provided to it by the committee. A key duty of the committee is providing consultation and recommendations to the board regarding the distribution/award of Federal Older Americans Act, state nutrition and other related funding that MNRAAA typically awards to direct service providers. The committee shall meet as necessary and appropriate, but no fewer than two times per year at the call of the chair of the committee or the executive director, and shall maintain minutes of all meetings, which shall be regularly approved by the committee, distributed to the board and ratified by the board at their next meeting. A majority of the committee members, present and voting, shall constitute a quorum.

Duties:

- Provide consultation and recommendations to the board regarding policies and practices regarding provisions of Federal Older Americans Act: Title III Regulations (45CFR 1321) and Minnesota state nutrition funding priorities, policies and allocations.
- Review and recommend Title III grants and contracts to the board for approval.
- Participate in site visits of Title III grantees and contractors.
- Develop and recommend to the board, policies and procedures governing the programs and services to be offered by the organization.
- Provide policy guidance and consultation to the executive director in setting priorities for programs and services.
- Establish and recommend to the board policies and guidelines to assist the executive director in setting fees to be charged for programs and services offered by the agency.
- Establish policies and guidelines within which the executive director is authorized to enter collaborative arrangements with other organizations and providers of services.
- Ensure the agency has in place a program evaluation process that measures the extent to which the agency is achieving its mission; regularly use the evaluation data to inform and continuously improve agency programs; and use evaluation data to educate the community (including funders) regarding the work and effectiveness of the agency and its programs.
- Such other powers as may be directed to the Planning Committee by the board, on a time to time basis.
- Perform such other duties as may from time to time be required by the board.

8.16 Ad hoc committee

The board of directors may appoint special committees at any time to perform a specific task. An ad hoc committee is simply a special committee appointed to perform a specific, immediate, one-time task. When the special task is completed and the committee has reported to the board, the committee is dissolved unless the board gives it further assignments.

An ad hoc committee is usually appointed by the board chair or the full board when the task to be completed does not fit well into the job descriptions of any standing committees of the board. Determining how to handle a sudden emergency might be assigned to an ad hoc committee.

It is sometimes appropriate and desirable to appoint non-board members to serve with board members on ad hoc committees if special expertise is required beyond what is available from board members. Appointing persons from outside the board allows the board to tap special skills, develops a new connection between the agency and members of the community and allows the board to cultivate potential future board members. The number of staff and members serving on the committee and number of meetings to be held is dependent upon the special task assigned to the committee.

An ad hoc committee of the board has only the powers specifically delegated by the board. Functions of any ad hoc committee, as well as timelines for performance, should be recorded in the minutes of the meeting at which the committee was established.

Ad hoc committees are a subsidiary of the board and are accountable to the full board. They should report their work to the full board on a regular basis. Ad hoc committees should make recommendations to the board for action, such recommendations to be made by a member of the committee, in the form of a motion at a full board meeting. The committee shall meet as necessary and appropriate, but no fewer than two times per year at the call of the chair of the committee or the executive director, and shall maintain minutes of all meetings, which shall be regularly approved by the committee, distributed to the board and ratified by the board at their next meeting.

FACILITIES AND EQUIPMENT

9.1 Accessibility of facilities

It is the policy of the MNRAAA board that all facilities will be physically accessible according to the guidelines of the Americans with Disabilities Act (ADA). The office manager will annually review the facilities to ensure that all facilities meet the minimum standards of ADA.

9.2 Gifts acceptance

The MNRAAA board encourages gifts of materials, equipment, money or in-kind gifts. However, the board also recognizes that all gifts may not be acceptable to MNRAAA needs or principles, and may involve expenses beyond the value of the gift.

Therefore, before acceptance, all gifts must be approved by the executive director as appropriate for MNRAAA needs and within the boundaries of the established mission and philosophy of the organization. If there is question about the appropriateness of the gift, the executive director will bring the issue to the board for resolution.

The MNRAAA board encourages those who give gifts to the organization to allow the most appropriate use of the gift to be determined by the board, or executive director, while giving serious consideration to the wishes of the donor. However, final decision of how a gift will be used always remains with the board or executive director. If the donor cannot accept this regulation, the gift will not be accepted by MNRAAA.

MNRAAA will provide acknowledgement of receipt of all gifts accepted by the organization, but MNRAAA will not be responsible for appraisal of the value of a gift for income tax or other purposes.

9.3 Use of MNRAAA name or logo

The name and logo of MNRAAA shall not be used by any person or organization in any way which indicates, tends to indicate, or implies MNRAAA endorsement of any product, service, program, company organization, event or person, endorsement of which has not been authorized by the MNRAAA board of directors.

9.4 Purchase and sale of MNRAAA property and equipment

No property, equipment or services may be purchased for MNRAAA by board members, management, staff or any of their relatives, for more than fair market value.

No property or equipment belonging to MNRAAA may be sold to MNRAAA board members, management, staff or any of their relatives, for less than fair market value.

Transactions involving the purchase or sale of property, equipment, or services from or between MNRAAA board members, management, staff or any of their relatives will follow these rules:

- The transaction must be disclosed to and approved by the MNRAAA board.
- The transaction must be in the best interest of MNRAAA.

9.5 Anticipated disaster planning

See MNRAAA Emergency Preparedness Continuity of Operations Plan located in the administrative office.

Conflict of Interests Policy for Board Members

SECTION 1. PURPOSE:

The purpose of this policy is to protect the interests of the Minnesota River Area Agency on Aging®, Inc. (MNRAAA), a tax-exempt organization. It is intended to supplement, not replace any applicable state or federal laws governing conflict of interests.

There exists between MNRAAA and its board members (members) and the public, a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. Members have the responsibility of administering the affairs of MNRAAA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of MNRAAA. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with MNRAAA or knowledge gained there for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. AREAS IN WHICH CONFLICT MAY ARISE:

Conflict of interests may arise in the relations of the members with any of the following third parties:

1. Persons and firms supplying goods and services to MNRAAA.
2. Persons and firms from whom MNRAAA leases property and/or equipment.
3. Persons and firms with whom MNRAAA is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting MNRAAA.
6. Agencies, organizations, associations and/or individuals which affect the operations of MNRAAA.
7. Agencies, organizations, associations and/or individuals under contract with MNRAAA.
8. Affiliated persons *, friends, and other staff.

SECTION 3. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 2. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with MNRAAA.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with MNRAAA.
3. Receiving remuneration for services with respect to individual transactions involving MNRAAA.
4. Using MNRAAA's time, staff, equipment, supplies, prestige or influence for activities, programs, and/or purposes other than MNRAAA approved activities.

** "Affiliated person" is a spouse, domestic partner, child or spouse of a child, mother, father, brother, sister, or spouse of a brother or sister, of an affiliated person.*

5. Using or attempted use of position to secure benefits, privileges, exemptions or advantages for the member or the member's relatives, or an organization with which the member is associated that are different from those available to the general public.
6. Receiving personal gifts or loans from third parties dealing or competing with MNRAAA. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 4. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 2, and the relations in those areas which may give rise to conflict, as listed in Section 3, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that members will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 3 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of MNRAAA. However, it is the policy of the MNRAAA board that the existence of any of the interests described in Section 3 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of members to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 5. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The [board or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the executive director who shall bring the matter to the attention of the board or a duly constituted committee thereof. Disclosure involving members should be made to the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the board or a duly constituted committee thereof.

The board or a duly constituted committee thereof shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to MNRAAA. The decision of the board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of MNRAAA and the advancement of its purpose.

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

5. Indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which MNRAAA was or is a party?

_____ YES _____ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

6. Did you or any of your affiliated persons have a material financial or beneficial interest in any organizations, which may have a conflict of interest with MNRAAA?

_____ YES _____ NO

If yes, please describe the material financial or beneficial interest with the organization(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

7. Are you or any of your affiliated persons involved in any activity or transaction or party to a contract involving interests, which could be found to be adverse to MNRAAA?

_____ YES _____ NO

If yes, describe the activity, transaction or contract involving interests that could be found to be adverse and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

8. Were you or any of your affiliated persons indebted to pay money to MNRAAA at any time in the past year (other than travel advances or the like)?

____ YES ____ NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

9. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from MNRAAA or as a result of your relationship with MNRAAA, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to MNRAAA?

____ YES ____ NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

10. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving MNRAAA?

____ YES ____ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

11. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by MNRAAA's board or a duly constituted committee thereof in accordance with the terms and intent of MNRAAA's conflict of interests policy?

____ YES ____ NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I HERBY CONFIRM that I have read and understand MNRAAA's conflict of interests policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the board chair or executive director immediately.

Signature

Date

Printed Name



Gift Policy and Disclosure Form for Board and Committee Members

As part of its conflict of interests policy, MNRAAA requires that board and committee members decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with MNRAAA or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

Section 1. “Responsible Person” is any person serving as member of the board of directors or of a board committee of MNRAAA.

Section 2. “Affiliated Person” is a spouse, domestic partner, child or spouse of a child, mother, father, brother, sister, or spouse of a brother or sister, of a Responsible Person.

Section 3. “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to MNRAAA is not a “contract” or “transaction.”

Section 4.

Prohibited gifts, gratuities and entertainment. Except as approved by the chair of the board, or his/her designee, or for gifts of a value less than \$50 which could not be refused without discourtesy, no Responsible Person or Affiliated Person shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with MNRAAA or,
2. Does or seeks to compete with MNRAAA or,
3. Has received, is receiving, or is seeking to receive a Contract or Transaction with MNRAAA.

GIFT STATEMENT

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

Signature

Date

Printed Name

Code of Ethics for Board Members

As a member of the MNRAAA board, I will:

- listen carefully to other members and those served by MNRAAA.
- respect the opinion of other board members.
- respect and support the majority decisions of the board.
- recognize that all authority is vested in the board when it meets in legal session and not with individual board members.
- keep well-informed of developments that are relevant to issues that may come before the board.
- participate actively in board meetings and actions.
- call to the attention of the board any issues that I believe will have an adverse effect on MNRAAA or those served.
- attempt to interpret the needs of constituents to MNRAAA and interpret the action of MNRAAA to its constituents.
- refer constituent or staff complaints to the proper level on the chain of command.
- recognize that the board member's job is to ensure that MNRAAA is well managed, not to manage MNRAAA.
- vote to hire the best possible person to manage MNRAAA.
- represent all constituents of MNRAAA and not a particular geographic area or special interest group.
- consider myself a "trustee" of MNRAAA and do my best to ensure that MNRAAA is well maintained, financially secure, growing and always operating in the best interests of constituents.
- work to learn more about the board member's job and how to do it better.
- declare any conflict of interest between my personal life and my position on the MNRAAA board, and avoid voting on issues that appear to be a conflict of interest.

As a member of the MNRAAA board I will not:

- be critical, in or outside of the board meeting, of other board members or their opinions.
- use MNRAAA or any part of MNRAAA for my personal advantage or the personal advantage of my friends or relatives.
- discuss the confidential proceedings of the board outside the board meeting.
- promise prior to a meeting how I will vote on any issue in the meeting.
- interfere with duties of the executive director or undermine the executive director's authority.

Signature

Date

Printed Name



Appendix C

Confidentiality Agreement for Board Members

As a member of the MNRAAA board, I acknowledge the importance of confidentiality with respect to the affairs of MNRAAA. In light of this acknowledgement, I agree to keep confidential, during and after service on the board, all confidential information acquired pertaining to MNRAAA and any related activities in the course of membership on the board.

I particularly recognize the sensitivity of information regarding strategic plans that may have an impact on MNRAAA's competitive position relative to other organizations.

I agree that this confidentiality agreement includes, but is not limited to:

- information pertaining to performance of MNRAAA staff including evaluation data, compensation, and grievances.
- issues related to the board's legal, moral and regulatory responsibility for the oversight of statistical data, risk management information and litigation information, and reviews of attitudes and opinions from those who work at MNRAAA.

I understand that it is the board chair's responsibility to address infractions of confidentiality by individual board members and to take action to remedy the problem. I also understand that if infractions of confidentiality by individual board members continue, it is the expectation that the board chair will ask for the resignation of the individual board member who has violated the confidentiality agreement.

I agree to resign my board membership if requested by a majority vote of the board for any confidentiality infraction.

Signature

Date

Printed Name



Appendix D

Official Complaint Form

Date: _____ Person filing complaint: _____

Phone: _____

Address: _____

Explain nature of complaint: _____

Requested remedy: _____

Response #1: (Level--Staff) _____

Response #2: (Level--Executive Director) _____

Response #3: (Level--Board of Directors) _____

MNRAAA Retention Schedule

Appendix E

GENERAL RECORDS RETENTION SCHEDULE FOR THE MINNESOTA RIVER AREA AGENCY ON AGING

SECTION	CODE	TITLE & DESCRIPTION	RETENTION PERIOD	ARCHIVE Y/N	CLASSIFICATION	STATUTE
ADMINISTRATION	ADM 01000	ANNUAL REPORTS Agency or departmental	Permanent; has historical value	Yes	Public	
ADMINISTRATION	ADM 01200	ARTICLES OF INCORPORATION Permanent; has historical value	Permanent	Yes	Public	
ADMINISTRATION	ADM 01600	BILLS OF SALES Record documenting the official transaction between the agency and the buying party	6 years	Yes	Public	
ADMINISTRATION	ADM 04400	MINUTES – VARIOUS BOARDS, AGENCIES, COMMITTEES & COUNCILS	Permanent; has historical value	Yes	Public	
ATTORNEY	ATT 00400	CORRESPONDENCE – GENERAL ATTORNEY	6 years	No	Public	
CONTRACTS	CON 00050	AGREEMENTS/CONTRACTS/LEASES /JOINT POWERS Various associations doing business with the agency.	10 years after paid and audited	No	Public	
FINANCE	FIN 00200	ACCOUNTS PAYABLE LEDGERS & JOURNALS Record of all accounts of monies owed to other parties by the agency.	6 years	No	Public	
FINANCE	FIN 00300	ACCOUNTS RECEIVABLE LEDGERS & JOURNALS Records of all accounts of monies owed to the agency.	6 years	No	Public	
FINANCE	FIN 00800	AUDIT REPORTS – EXTERNAL Reports based on private companies for the review of tax payments.	7 years	No	Non-public	MS 13.37
FINANCE	FIN 00900	AUDIT REPORTS – INTERNAL Reports based on the agencies' internal operations.	7 years	No	Non-public	MS 13.37
FINANCE	FIN 01000	BANK STATEMENTS Deposit slips, deposit books & reconciliations.	6 years	No	Public	
FINANCE	FIN 02020	CHECKS (CANCELED & VOIDED) ACCOUNTS PAYABLE Paid & returned checks	6 years	No	Public	

REVISED: JANUARY 2013

1 of 5

GENERAL RECORDS RETENTION SCHEDULE FOR THE MINNESOTA RIVER AREA AGENCY ON AGING

SECTION	CODE	TITLE & DESCRIPTION	RETENTION PERIOD	ARCHIVE Y/N	CLASSIFICATION	STATUTE
FINANCE	FIN 02400	ENCUMBRANCES/REVERSALS - ORDERS ISSUED Report or document of purchase orders by number.	4 years	No	Public	
FINANCE	FIN 02620	FINANCIAL REPORTS/STATEMENTS (ANNUAL) As audited. Comprehensive Annual Financial Report (CAFR). GENERAL LEDGERS Record of all agency accounts. INVOICES - CLAIM VOUCHERS & VERIFIEDS (AR & AP) Record of payments & requests for payment of accounts paid by the agency. TAX RETURNS Form 990, worksheets & related documents	Permanent	No	Public	
FINANCE	FIN 03000		Permanent	No	Public	
FINANCE	FIN 03300		6 years	No	Public	
FINANCE	FIN		Permanent	No	Public	
HUMAN RESOURCES	HR 00600	APPLICATIONS FOR PERSONS ON ELIGIBILITY LIST Applications, resumes, letters of recommendation, police background investigations, etc. If hired, application etc. becomes part of employee personnel file.	2 years or length of eligibility if longer	No	Public/private	MS 13.43
HUMAN RESOURCES	HR 00600	APPLICATIONS FOR PERSONS ON ELIGIBILITY LIST Applications, resumes, letters of recommendation, police background investigations, etc. If hired, application etc. becomes part of employee personnel file.	2 years or length of eligibility if longer	No	Public/private	MS 13.43
HUMAN RESOURCES	HR 01850	FAMILY MEDICAL LEAVE DOCUMENTS (FMLA) Should be retained in medical file rather than employee personnel file.	3 years (29 CFR SS825)	No	Private	MS 13.43
HUMAN RESOURCES	HR 02000	EMPLOYMENT ELIGIBILITY VERIFICATION/I-9 FORM Verifies status of citizenship or	3 years after date of hire, or 1 year after	No	Private	MS 13.43

REVISED: JANUARY 2013

2 of 5

GENERAL RECORDS RETENTION SCHEDULE FOR THE MINNESOTA RIVER AREA AGENCY ON AGING

SECTION	CODE	TITLE & DESCRIPTION	RETENTION PERIOD	ARCHIVE Y/N	CLASSIFICATION	STATUTE
		naturalization.	employment is terminated, whichever is later. Should not be retained in employee personnel file.			
HUMAN RESOURCES	HR 03200	PENSION FILES Form letters & reports	Permanent	No	Public	
HUMAN RESOURCES	HR 03300	PERSONNEL FILES Only relevant records on each employee such as applications, references, performance evaluations, job performance appeals, job descriptions, reprimands, resignation letters, exit interviews, etc. Should be retained in employee personnel files: Certain records should NOT be retained in employee personnel files: medical records, health insurance information, I-9 forms, child support obligation records, investigations, or any other record which, in its presence, may raise an inference of discrimination. Duplicate personnel files should not be retained by individual departments, all originals are to be maintained by the personnel department or responsible department.	5 years after termination or separation from agency. Destruction approval is contingent upon retention of master copy of payroll register of record.	No	Public/private	MS 13.43
HUMAN RESOURCES	HR 03500	RECRUITMENT FILES Records that relate to posting, recruitment, selection & appointment to each agency position.	2 years	No	Public/private	MS 13.43
HUMAN RESOURCES	HR 04600	OSHA REPORTS Incident reports and annual summary.	5 years after accident	No	Public/private	MS 13.43
INSURANCE	INS 01240	POLICIES – ALL INSURANCE POLICIES Includes, but not limited to: auto, general liability, life, property and workers'	6 years after expiration	No	Public	

REVISED: JANUARY 2013

3 of 5

GENERAL RECORDS RETENTION SCHEDULE FOR THE MINNESOTA RIVER AREA AGENCY ON AGING

SECTION	CODE	TITLE & DESCRIPTION	RETENTION PERIOD	ARCHIVE Y/N	CLASSIFICATION	STATUTE
RECORDS MGMT	MNRAAA	<p>compensation.</p> <p>AREA AGENCY ON AGING (AAA) & MIN. BOARD ON AGING (MBA).</p> <p>All documents required to meet federal and state requirements for entering into contracts and/or grants, e.g.:</p> <ul style="list-style-type: none"> • Application for funds, • Notice of Grant Award (NGA), • Persons Served/NAPIS, • Quarterly Reports, • Financial Reports, • Staff Reports, • Site Visits, • General Correspondence <p>SENIOR LINKAGE LINE®</p> <p>Client contact sheets.</p>	3 years from the date MBA submits a final 269 report closing out the funds for fiscal year. Records must have been audited by MBA and final financial report approved.	No	Public	
RECORDS MGMT	MNRAAA	<p>Resource report and Extranet calendar activities.</p> <p>Medicare Part D records.</p> <p>HIPPA client signature page (Part D).</p>	<p>After record is entered into Web Referral. Until the records are removed-destroyed. Records must have been audited by MBA.</p> <p>At the end of the next calendar year, after Medicare Open Enrollment Period has ended.</p> <p>After one year or until the records are removed-destroyed.</p>	No	Private	

REVISED: JANUARY 2013

4 of 5

GENERAL RECORDS RETENTION SCHEDULE FOR THE MINNESOTA RIVER AREA AGENCY ON AGING

SECTION	CODE	TITLE & DESCRIPTION	RETENTION PERIOD	ARCHIVE Y/N	CLASSIFICATION	STATUTE
---------	------	---------------------	------------------	-------------	----------------	---------

Portions of this schedule were originally developed by the Minnesota State Department of Administration, Information Policy Analysis Division and the Minnesota Historical Society, Division of Archives and Manuscripts. The revised schedule was updated by city clerks and officials representing the Minnesota Clerks and Finance Officers Association (MCFOA), revised: March 2011. (http://www.mcfoa.org/index.asp?Type=B_BASIC&SEC={2A0616C3-4791-49BC-9B78-CF2E0B2420F51})

Records Storage Area

Records that are to be stored for extended periods of time prior to disposal should be stored in labeled boxes and located in an area that is separated from public use areas and protected from unauthorized entry.


Records Disposal

1. The Executive Director shall approve a Records Retention Schedule for the agency.
2. Public and Private Data Records that have not received a permanent status and have reached their retention period may be destroyed after a request has been approved by the Executive Director as follows:
 - Request for permission to destroy records will be forwarded to the Executive Director who will make final decision on request.
 - If request is approved, records will be designated for destruction at next scheduled records disposal.
 - The approved manner of destruction is via shredding. Shredding may be done either within the agency or completed by an authorized vendor.

Staff Training/Updates on Data Privacy

Agency staff will be provided with Data Privacy policy and periodic updates to ensure compliance with:

- Types of data
- Collection and securing of private data
- Distribution of public data
- Retention of data
- Destruction of data


 Minnesota River Area Agency on Aging, Inc., Executive Director

Date 5.30.13

REVISED: JANUARY 2013

5 of 5

Public Forum Policy for MNRAAA and Request to Be Heard

It is the policy of MNRAAA to allow fifteen minutes of each board meeting for a forum. Anyone wishing to speak to the board during the "forum" section of the agenda, must complete the form below and hand it to the board chair before the meeting. Only persons who have completed the form and given it to the board chair prior to the convening of the meeting will be allowed to speak.

When the board reaches the "forum" section of the agenda, the board chair will divide the fifteen minute segment by the number of persons who have requested to speak to the board to determine the amount of time allocated to each person. The board chair will then call on those people one at a time to stand and address the board for no more than the allocated time.

It is not an expectation that the board ~~to~~ will respond at the meeting to visitor questions or requests for information or requests for action. The board will note the request and respond at a later appropriate time after board members have an opportunity to deliberate about the request.

At other times during the meeting, board members may wish to ask for information from visitors. However, visitors should refrain from comment unless the board asks for comments.

Request to speak to the MNRAAA board during the forum:

If you wish to speak to the MNRAAA board during the "forum" section of the meeting agenda, this form must be completed and handed to the board chair before the meeting. The forum will be conducted according to the format explained above.

Name:

Group/organization you represent, if any:

Subject about which you will speak:

Financial Policies and Procedures

I. GENERAL

1. The Board of Directors establishes financial policies, delegates administration of the financial policies to the executive director and reviews operations and activities.
2. The executive director has management responsibilities including financial management.
3. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.
4. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
5. All employees involved with financial procedures shall take vacations. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.
6. Blanket employee dishonesty coverage shall be maintained.
7. Background checks will be performed prior to hiring any employees who may be asked to participate in the collection or disbursement of funds.
8. Employees will annually verify receipt and understanding of the organization's whistleblower policy.
9. Professional financial service providers will be established. These include accounting software, payroll, insurance, banking, and auditors.
10. The finance director will maintain a current and accurate log of the chart of accounts, project accounts and accounting classes.
11. Debit block and positive pay services will be maintained on the organization's bank account.
12. The executive director will recommend to the Board of Directors those staff members authorized to use the organization's credit cards. The Board will approve and maintain a list of authorized individuals. Credit cards will only be used for appropriate organization business, and all users will be appropriately documented. Credit cards will not be used for personal expenditures.
13. These policies and procedures will be reviewed regularly by the Finance Committee.

II. CASH RECEIPTS (Appendix H)

1. The administrative and communications assistant opens any mail addressed to the Minnesota River Area Agency on Aging, Inc. or without specific addressee and records all checks or cash in the cash/check log book.
2. The administrative and communications assistant endorses all checks for deposit by using endorsement stamp specifying the organization's account.

3. Donations of cash and non-program related income will be separately accounted for.
4. Cash shall be locked in a secure, fireproof location until taken to the bank.
5. Checks and cash are forwarded to the office manager, who will make copies of checks, complete deposit slips and bank the deposits.
6. Documentation for all receipts will be attached to duplicate deposit slip and submitted to finance director.
7. All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to deposit.
8. Finance director prepares and posts receipts in account system and maintains accounting system general ledger.
9. Executive director verifies all cash receipt batches.
10. Board of Directors receives copies of all deposit reports for review (Treasurer's Report).
11. Checks received at office locations other than Mankato will be endorsed as in #2 above and mailed to the Mankato office for processing. Cash will be recorded as in #1 above and brought to the Mankato office by a staff or board member at the earliest convenience.

III. CASH DISBURSEMENTS (Appendix H)

1. Purchases will be made with a properly authorized purchase order signed by the executive director or a member of the management staff authorized by the executive director to sign purchase orders.
2. Prior to payment, all contract invoices will be authorized for payment (indicated by initialing) by the executive director.
 - By approving an invoice, the executive director indicates that it has been reviewed and authorizes payment.
 - The finance director ensures that all conditions and specifications on a contract or purchase order have been satisfactorily fulfilled and is responsible for timely follow-up on discrepancies and payment.
 - The office manager verifies receipt of goods/services.
3. All invoices will be forwarded to the finance director who will review for mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with contract or purchase order.
4. Finance director will code approved invoices with an appropriate expense, project and element number and enter into the accounting system using voucher entry.
5. Executive director will HASCH and verify voucher batch control.
6. At a minimum the finance director will prepare checks on a bi-weekly basis through the accounting system.
7. Authorized account signers include the executive director, grant and contract manager and Board Chair. Dual signatures are required for checks, notes and drafts over \$500.

8. The finance director will be responsible for all blank checks.
9. Voided checks will have “VOID” stamped boldly in ink on the face. Voided checks will be kept on file.
10. In no situation will:
 - invoices be paid unless approved by an authorized signer
 - blank checks (checks without a date or payee designated) be signed in advance
 - checks be made out to “cash”, “bearer”, “petty cash”, etc.
 - checks be prepared on verbal authorization, unless approved by the executive director.
11. In the event that it is necessary to issue a duplicate check a stop payment will be ordered on the original check.
12. Office manager will mail or distribute checks and files payment documentation.

IV. BANK RECONCILIATIONS (Appendix H)

1. Bank statements will be received by the executive director.
2. The finance director will reconcile the bank statement monthly.
3. The Board of Directors will receive statement of checks paid on all accounts (Treasurer’s Report).
4. The executive director shall verify the reconciliation of the bank account on a monthly basis.
5. On all checks outstanding over 90 days, the finance director shall take appropriate action.

V. PAYROLL (Appendix H)

1. Each employee will be responsible for completing a timesheet on a daily basis via HK Payroll, timeforce system.
2. Employees will submit timesheets at the end of the last working day of each pay period.
3. No payroll payments will be issued without a completed time sheet.
4. Incomplete or inaccurate time sheets will be returned to employee for correction.
5. Supervisors will verify the accuracy and approve their staff’s time sheets.
6. Employees will be paid every two weeks. Deductions, including benefits, are itemized on each paystub.
7. HK Payroll will process and facilitate direct deposit transfers. Reports will be reviewed and authorized by the finance director.
8. Finance director is responsible for entering payroll reports into the accounting system.

9. Voluntary terminations will be paid on regular pay date. Involuntary terminations will be paid in accordance with Federal and State laws.
10. HK Payroll will prepare and transmit the payroll tax reports and W-2 forms. Finance director will prepare and mail 1099 forms.

VI. FINANCIAL REPORTING (Appendix H)

1. At the end of each month, the finance director will prepare a Balance Sheet, Statement of Activities, and Statement of Activities by Project that will be reviewed by the executive director.
2. The Statement of Activities report (Budget Summary) will include a comparison to the budget.
3. The organization will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.
4. Adequate documentation will be maintained to support all general accounting entries.
5. The board of directors shall contract with an independent auditing firm for a full audit of the books.
6. The board of directors, in conjunction with the audit, will authorize preparation of Form 990. Form 990 will be signed by an officer of the Board.
7. The finance director will prepare and facilitate the annual audit and Form 990.
8. Copies of Form 990 will be filed in the finance director's files and copies will be available upon request.

VII. CONSULTANTS

1. Consideration will be made of internal capabilities to accomplish services before contracting for them.
2. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
3. The qualifications for the consultant and reasonableness of fees will be considered in contracting with consultants.
4. Consultant services will be paid for as work is performed or as delineated in the contract.
5. The Board of Directors will approve audit and other significant contracts more than \$10,000 annually or over the contract life. The executive director may approve agreements which continue the same service level and cost from a prior contract.
6. The finance director will prepare 1099 returns for consultants at year end.

VIII. PERSONNEL FILES

1. The finance director will maintain a personnel file for each employee, containing appropriate documents, such as the compensation amount, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation and other contributions.

IX. PROPERTY

1. The office manager will maintain an inventory log; which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location or staff assignment.
2. Capitalized equipment shall be defined as all items purchased with a unit cost of \$5,000 or more and a useful life of more than one year.
3. A depreciation schedule shall be prepared at least annually for the audited financial statements.
4. The finance director will record all capitalized equipment in the accounting system. An entry shall be made whenever property is disposed of or acquired.

X. LEASES

1. The executive director will review leases, including real estate, prior to submission to the Board of Directors for approval.
2. All leases shall clearly delineate terms and conditions. Real estate leases will be approved by the Board of Directors and signed by the Board Chair. Equipment leases less than \$10,000 will be approved and signed by the executive director.
3. The finance director will keep a copy of each lease on file.
4. The finance director will be notified of each lease and lease specifications, and will make proper general journal entries for same.

XI. INSURANCE

1. Reasonable, adequate coverage will be maintained to safeguard the assets of the organization and meet grant requirements. Such coverage will include director and officer liability, property and liability, worker's compensation, employee dishonesty and other insurance deemed necessary.
2. The executive director will carefully review insurance policies before renewal.
3. The finance director will maintain insurance policies in insurance files and facilitate renewals.

XII. BUDGETING

1. The executive director and the finance director will prepare financial budgets. Program managers will provide input to assist in budget preparation.
2. The finance director will insure that budgets are on file.
3. The Board of Directors must approve the Area Plan budget. The Area Plan budget will be viewed by the board as their financial plan for the organization, and approval of the budget by the board will be authority for the executive director to manage the organization's finances according to the plan without seeking further approval of the board.
4. The Board of Directors will annually approve a Minnesota Board on Aging (MBA) signature authority for the organization for all grants and contracts offered by MBA.
5. The executive director will keep the Board informed of the ongoing status of the financial plan and will not make expenditures outside of the budget plan without seeking Board approval to amend the budget. Amendments to the budget will be presented to the Board for approval if:
 - The organization enters into contracts that were not included in the approved budget.
 - Management proposes a major expenditure that was not included in the approved budget.

XIII. LOANS

1. The Board of Directors will approve loans.
2. A promissory note will be prepared and signed by the Board Chair and another officer of the Board before funds are borrowed.
3. There shall be no loans or grant of organizational funds to any board member, executive director, employee or any of their relatives.

Separation of Financial Duties Worksheet

Task		Position Performing the Task						
		Adm & Comm Asst	Office Manager	Grant/Contract Manager	Finance Director	Executive Director	Supervisors	Board
Cash Receipts								
	Receives Cash/Checks (e.g. opens mail)	X	CT					
	Records Receipt of Cash/Checks	X	CT					
	Stamps Checks for Deposit	X	CT					
	Prepares Deposit Slips		X			CT		
	Banks the Deposits		X			CT		
	Prepares & Posts Receipts		CT		X			
	Verifies Cash Receipt Batch			CT		X		
	Maintains General Ledger				X			
	Verifies Cash Receipts (Treasurer's Report)							X
Cash Disbursements								
	Approves Purchase Orders			CT		X		
	Verifies Receipts of Goods/Services	CT	X					
	Authorizes Invoices for Payment			CT		X		
	Precode Requests for Funds		CT		X			
	Verifies and Authorizes Disbursements			CT		X		
	Prepares Checks		CT		X			
	Signs Checks (co-signature)			X		X		
	Custodian of Blank Checks				X			
	Mails or Distributes Checks	CT	X					
Bank Reconciliations								
	Opens Bank Statements		CT			X		
	Reconciles Bank Statements			CT	X			
	Verifies Checks Issued (Treasurer's Report)							X
Payroll								
	Approves Timesheets					CT	X	
	Authorizes Payment of Payroll				X	CT		
	Payroll Entered into Accounting System			CT	X			
Financial Reporting								
	Prepares Financial Reports			CT	X			
	Reviews Financial Reports			CT		X		
	Prepares Annual Audit and 990 Return			CT	X			
	Oversees Annual Audit and 990 Return							X
Comments:								
<p>*CT indicates staff who are cross trained to preform duties when primary person is on vacation or unable to preform duties.</p> <p>When a CT staff is preforming duties the rules of separation will be followed. Example, if a CT staff is preparing checks they wouldn't verify/authorize the disbursments.</p>								

Whistleblower Policy

1.0 Purpose

The Minnesota River Area Agency on Aging, Inc. ("Agency") requires board, committee, and task force members and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and all board, committee, and task force members and employees to comply with all applicable laws, regulatory requirements and Agency policies.

2.0 Reporting Responsibility

It is everyone's responsibility to raise a concern promptly about a violation of Agency policy, law or regulation. This Policy is intended to encourage and enable persons to raise serious concerns within the Agency prior to seeking resolution outside the Agency. In most cases, a board member should present his or her concerns to the Board Chair. All others should present their concerns to the Executive Director. However, if a board member is not comfortable speaking with the Board Chair or is not comfortable with the Board Chair's response, or if a committee or task force member or employee is not comfortable speaking with the Executive Director or with the Executive Director's response, the person is encouraged to speak with anyone on the Board whom that person is comfortable in approaching.

3.0 No Retaliation

The Agency prohibits retaliation against anyone who in good faith reports a violation of law, regulation or Agency policy or who cooperates in an Agency investigation. The Agency will not permit any harassment, retaliation or adverse employment consequence against a person for making a good-faith complaint, regardless of whether the underlying facts prove to be correct or result in any corrective action. An employee who retaliates against someone who has made a good-faith complaint under this policy is subject to discipline up to and including termination of employment. If you believe you are being retaliated against for raising a good-faith complaint under this policy, you may report this by following the *Reporting Responsibility* section of this policy.

4.0 Compliance Officer

The Agency's Executive Director, working with the Board Chair, will act as the Agency's Compliance Officer. The Compliance Officer is responsible for ensuring that all complaints about unethical or illegal conduct are investigated. The Board Chair or his or her designee will assume the Compliance Officer role if the report involves the Executive Director.

5.0 Accounting and Auditing Matters

The Budget Committee of the Agency's Board shall address all reports, concerns or complaints regarding corporate accounting practices, internal controls or auditing. The

Compliance Officer shall immediately notify the Budget Committee of any such complaint and work with the Committee until the matter is resolved.

6.0 Requirement of Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the law, regulation or Agency policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

7.0 Confidentiality

Violations or suspected violations of law, regulation or Agency policy may be submitted on an anonymous basis, but in deciding whether or not to make a report anonymously, please understand that investigation and resolution of anonymous reports may be more difficult than investigation and resolution of a non-anonymous report. Reports of violations or suspected violations of law, regulation or Agency policy will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

8.0 Handling of Reported Violations

If warranted, the Agency will commence an appropriate investigation, using internal resources or external resources with expertise in conducting investigations. The Compliance Officer, or the person responsible for carrying out the Compliance Officer's role with respect to a reported or suspected violation, will acknowledge receipt of the reported violation or suspected violation by writing a letter (or e-mail) to the complainant promptly, unless the report has been made anonymously. Investigations will be conducted promptly and discretely and appropriate corrective action will be taken if warranted by the investigation.



Appendix J

Board Committee Report

1. Committee: _____ Meeting date: _____
2. Members attending: _____
3. Type of committee report:
_____ Reporting/updating
_____ Recommending board action
_____ Recommending policy change(s)
4. Brief statement of committee issue/area reporting: _____
5. Brief background information and possible impact of issue/area (examples: Why is it an issue? Will funding, staff utilization, services and/or facility changes be necessary?) _____
6. Recommendation for board action, if any (state in the form of a motion(s) to be acted upon by the full board) _____

Submitted by: _____

Please keep the report to one page.

This committee report must be returned to the executive director nine days before the board meeting.

Job Descriptions

Board of Directors

The board of directors is the chief elected body of the agency. The board represents the community interest in the agency, and holds ownership of the agency on behalf of the community. The board is the guardian of the assets of the agency, the policy setting body of the agency and advisor to the executive director of the agency.

All power of the board is a joint and collective power, which exists only when board members act together as one body. Individual board members have no power except that granted by the full board through the bylaws, board policy or by resolution of the full board.

Responsibilities

In general terms, the board is responsible for everything in and about the agency. Board members:

- Should gain a full understanding of their board roles and responsibilities to the agency and to the public.
- Are responsible for fully understanding their legal and fiduciary responsibilities and carrying out their duties.
- Are responsible for the ongoing financial health of the agency and should understand the content and significance of the agency's financial statements and audits.
- Are responsible for keeping suitably informed in order to actively participate in decision-making.
- Are responsible to make decisions in the best interest of the agency and no other party, including themselves.
- Are responsible for upholding the agency's mission and using its resources wisely and in accordance with the law.
- Should be willing to publicly advocate for the agency, and the programs and services offered, help widen the agency's reach and develop connections with the service area and its leaders.
- Are responsible for planning for the future of the agency.
- Are responsible for hiring the executive director and delegating management of the agency.
- Are responsible for writing policies to set limits and defining how the agency will operate.
- Are responsible for monitoring and evaluating outcomes of the long-range plan, executive director performance, board policies, financial stability and outcomes of programs and services.

The board is responsible for determining policy in the following categories:

Human Resources

- Recruiting new board members, recognizing and nurturing existing board members, and providing existing board members opportunities for leadership growth.
- Hiring, terminating, disciplining, evaluating and holding the executive director accountable to carry out appropriate management of programs and services.
- Writing policies relating to the executive director's employment, and ensuring the executive director has complete policies in place for management of other staff.
- Supporting the executive director.
- Ensuring uninterrupted management succession.
- Setting of compensation structure.

Planning

- Establishing and reviewing the mission/philosophy and goals of the agency.
- Planning which major services/programs will be provided by the agency.
- Evaluating the services/programs and operations of the agency on a regular basis.

Finance

- Ensuring appropriate financial procedures are in place.
- Ensuring financial accountability.
- Ensuring ongoing budget development, approval and review.
- Raising funds and/or ensuring adequate funding.
- Overseeing properties or investments.

Community Relations

- Ensuring services appropriately address needs of constituents.
- Advocating for the organization before constituents, funding sources and the public.
- Determining when the organization can/should take part in coalitions or joint operations.

Operations

- Helping widen the agency's reach and develop connections with the service area and its leaders.
- Ensuring management systems are adequate and appropriate, including risk management.
- Ensuring the board's operations are adequate and appropriate, writing policies for conduct of meetings and operation of board business.
- Ensuring organizational structures are adequate and appropriate.
- Ensuring the agency and its board members meet all applicable laws, including regulatory filings.

Board Member

The job of the individual board member is to generally participate as part of the board team to accomplish the mission of the organization. The board member provides community perspective to the organization and is expected to represent it in the community, communicating agency goals and success.

Authority

Individual board members have no power except that granted by the full board through the bylaws, board policy or by resolution of the full board. All power of the board is a joint and collective power, which exists only when the board is acting together as one body.

Responsibilities

While participating as part of the board, members must:

- Believe in and actively support the mission of the agency.
- Participate in new board member orientation.
- Attend board meetings, planning meetings and assigned committee meetings.
- Comply with applicable laws, regulations, bylaws, policies and the code of ethics.
- Accept the legal duties of loyalty and care while serving as a board member.
- Understand that all power rests with the full board, not individual board members.
- Share wisdom and insights to help the board make appropriate decisions and policy.
- Prepare for all meetings.
- Bring knowledge of the community and constituents to the board's deliberations.
- Be an advocate to the community and constituents for programs and board decisions.
- Play a consultative role by sharing expertise with management when requested.
- Seek opportunities to expand knowledge about the organization.
- Regularly self-evaluate personal performance on the board and determine needs for improvement.
- Resign from the board when no longer able to support the mission or devote the necessary time to be a good board member.

Chair of the Board

The chair of the board is the highest elected official of the agency. Like all officers of the board, this position has no authority to speak or act on behalf of the board other than the authority specifically granted in the bylaws, in board policy or by resolution of the board of directors. All duties for this office, as described below, can only be assumed with the permission of the full board.

Responsibilities

- Have general active management of the business of the agency.
- Encourage commitment and cooperation from each board member.

- Lead the organization toward the accomplishment of its mission.
- Have integral role in hiring process of executive director.
- Work with the executive director to develop strong cooperation between the board and executive director:
 - collaborate on preparation of board meeting agendas.
 - act as a sounding board on difficult issues for the executive director.
 - encourage the executive director to build the board/executive director relationship.
 - act as liaison between board and executive director.
- Preside at board meetings:
 - work to keep the meeting on target and productive.
 - encourage all board members to participate fully.
 - prevent and resolve conflicts among board members.
 - maintain an orderly atmosphere of good business.
- Ensure policy decisions are carried out and resolutions are carried into effect.
- Appoint standing and ad-hoc committees and committee chairs.
- Act as ex-officio member of all committees except the Nominating and Governance Committee.
- Encourage all committees to function well and be accountable to the full board.
- Act as a representative of the board in all matters of board policy.
- Help the board interpret board policy.
- Sign official documents requiring signature.
- Execute all contracts or instruments of the agency above \$10,000. In special circumstances, the board may empower the executive director or finance director, through board action that is recorded in the minutes, the ability to execute sub-contracts, purchase orders and/or payment requests above \$10,000 for specific contracts designated by the board.
- Represent the board in public and official capacities as instructed by the board.
- Chair the Executive Committee.
- Make special assignments and appoint representatives to other organizations.
- Encourage the board to do long-range planning.
- Assist and encourage board members to build their skills.
- Recognize board member violation of ethical standards and bring such violations to the attention of the board member or to the full board if necessary.
- Act to discipline board members who violate ethical standards of the board.
- Encourage all board members to participate in board activities.
- Ensure that all board members' views are represented in board meetings.
- Maintain record of proceedings of the board.
- Perform other duties as prescribed by the board.

The board chair position requires a commitment of extra time and responsibility. Board members who cannot make this extra commitment should not seek or accept this office.

Vice-Chair of the Board

The vice-chair of the board is a very important position because it offers the board insurance of not being without a leader if the chair cannot or chooses not to serve.

The vice-chair primarily serves as a backup for the chair. Therefore, the vice-chair should be elected with an assumption that this person can and will serve as chair of the board if the current chair can no longer serve in that position. That means, also, that the vice-chair must be close to the activities of the current chair, learning the duties of the chair and preparing to assume that job if necessary.

However, the vice-chair does not automatically become chair at the end of the chair's term.

Like all officers of the board, the vice-chair has no authority to speak or act on behalf of the board other than the authority specifically granted in the bylaws, in board policy or by majority vote of the board of directors.

Responsibilities

Prepares to become chair:

- Presides at board meetings in the absence of the chair.
- Works with the chair to be prepared to assume that office if necessary.
- Manages special assignments as requested by the chair.
- Executes all contracts or instruments of the agency at any time chair is unavailable.
- Serves on the Executive Committee.
- Performs other duties as prescribed by the board.

The vice-chair position requires a commitment of extra time and responsibility. Board members who cannot make this extra commitment should not seek or accept this office.

Treasurer of the Board

The job of the treasurer is more oversight than hands-on.

Responsibilities

- Oversees the financial records of the agency.
- Ensures the board regularly receives good reports of the financial condition of the agency.
- Works with the finance director, provides the board with insight and knowledge of financial plans, controls and results.
- Works with the finance director, assists the board to understand the annual budget before approval by the board.
- Arranges in-service programs for the board so board members can better understand the financial reporting process.
- Examines monthly financial reports to interpret trends and projections, and to inquire regarding operating policies, plans and decisions.
- Assists the finance director to interpret monthly financial reports to the full board.
- Ensures the board arranges for an annual audit of the organization's financial records.

- Chairs the Finance Committee.
- Serves on the Executive Committee.

The treasurer position requires a commitment of extra time and responsibility. Board members who cannot make this extra commitment should not seek or accept this office.

Secretary of the Board

Minutes of board meetings should be taken by a staff member or by a non-board member volunteer, not the secretary. This allows the secretary to participate fully in the board meeting. The secretary oversees the process of taking minutes, coaching the staff member or volunteer about proper procedure, and ensuring that the minutes are safely archived.

Correspondence for the board can and should be handled by management and staff at the direction of the full board.

Responsibilities

- Oversees minutes.
- Oversees other records of the board, including the Articles of Incorporation and any historical documents.
- Researches organization records, when necessary, for information for the board.
- Maintains records of election and appointment dates of committee members.
- Ensures records of election and appointment dates of members are maintained.
- Serves on the Executive Committee.
- Performs other duties as prescribed by the board.

The secretary position requires a commitment of extra time and responsibility. Board members who cannot make this extra commitment should not seek or accept this office.

Guidelines for the Committee Chair

The committee chair is usually appointed by the board chair, and is expected to lead the committee just as the board chair leads the board. The chair is accountable to ensure the productivity of the committee, and to ensure that the committee is accountable to the full board for whatever task is assigned to the committee.

Authority

The committee chair normally has no more power than any other committee member other than to call meetings of the committee, to convene a meeting and to lead the committee through the meeting.

Responsibilities

- Keep the committee focused on the larger mission of the organization as the committee pursues the committee's assigned mission.

- Ensure that all committee members have necessary materials:
 - list of committee members, with phone numbers and e-mail addresses.
 - instructions from the board to the committee – the committee charge or job description.
 - a statement of the powers and limitations of the committee.
 - background and support material pertinent to the subject to be discussed.
 - minutes of past committee meetings.
- Ensure that all members of the committee are notified of committee meetings.
- Plan the agenda for the committee meetings.
- Convene committee meetings, and keep meetings on track.
- Encourage the committee to form recommendations to the full board.
- Appoint a member of the committee to keep a written record of committee actions.
- Ensure that committee reports and recommendations for action are presented to the full board.
- Lead the committee to evaluate its own operations at least annually.