

# Board Policies Manual for XYZ College/University

<Approved by the Board on xxxx, 20xx>

## Part 1: Introduction and Administration

This Board Policies Manual (BPM) contains all of the current standing (ongoing) policies adopted by the Board of XYZ College/University (Institution) since the initial approval of the BPM on xxxx, 20xx.

- 1.1 **Reasons for Adoption.** The reasons for adopting this BPM include:
  - \* Efficiency of having all ongoing Board policies in one place
  - \* Ability to quickly orient new Board members to current policies
  - \* Elimination of redundant or conflicting policies over time
  - \* Ease of reviewing current policy when considering new issues
  - \* Providing clear, proactive policies to guide the administration and staff
- 1.2 **Consistency.** Each policy in this document is expected to be consistent with the law, the articles of incorporation or charter, and the bylaws of the institution, all of which have precedence over these Board policies. Except for time-limited or procedural-only Board decisions (approving minutes, electing an officer, etc.), which are recorded in regular Board minutes, all standing Board policies shall be included or referred to in this document. The administration is responsible for developing staff organizational and administrative policies and procedures that are consistent with this BPM.
- 1.3 **Transition.** Whether adopted part by part or as a complete document, as soon as a version of a policy is voted by the Board, that policy becomes a part of the BPM and is deemed to supersede any past policy that might be found in old minutes unless a prior Board resolution or contract obligates the organization with regard to a specific matter.
- 1.4 **Changes.** These policies shall be reviewed regularly and be frequently refined. The administration will help the Board formulate new language in the BPM by distributing proposed changes in advance. When language is recommended for deletion, it is shown in ~~strike-through~~ format. Proposed new language is underlined. Each section with a proposed change shall be preceded by the # sign to help readers quickly locate proposed changes. Any change to this BPM must be approved by the Board. Proposed changes may be submitted by any Board member as well as by the administration. In most cases, proposed changes shall be referred to and reviewed by the appropriate committee before being presented to the Board for action. Whenever changes are adopted, a new document should be printed or an insertion made, dated, and quickly made available to the

Board and staff. The previous version should be kept on a computer disk and archives for future reference if needed.

- 1.5 **Specificity.** Each new policy will be drafted to fit in the appropriate place within the BPM. Conceptually, policies should be drafted from the "outside in," i.e., the broadest policy statement should be presented first, then the next broadest, etc., down to the level of detail that the Board finds appropriate for Board action and below which management is afforded discretion as to how it implements the policies in this BPM.
- 1.6 **Maintenance of Policies.** The administration shall maintain the BPM and provide updated copies to the Board whenever the policies change or upon request. The Board will ask that legal counsel review these BPM biennially or whenever major changes are proposed to ensure compliance with the law. Discrete documents referred to in the BPM will be kept in a notebook called the Board Reference Book.

## **Part 2: Organization Essentials**

- 2.1 The purpose of the Institution is to [*insert mission statement*]
- 2.2 The Board of Directors (Board) shall be accountable to the constituency of the Institution as defined in the Bylaws as well as to applicable local government laws governing such institutions.
- 2.3 The primary Board strategies by which we will fulfill our purpose include [*insert strategies*]:
- 2.4 Our fundamental values are [*insert values*]:
- 2.5 Strategic Plan. The Board is expected to think strategically at all times. The administration is expected to develop a staff strategic plan based on the policies in this BPM, update it as necessary, link major activities in the plan to the relevant sections of this BPM, and provide copies of the plan to the Board for information by xxx each year.

## **Part 3: Board Structure and Processes**

### **3.1 Distinction between *Governance and Administration***

Governance refers to the power to:

- a. create an institution
- b. provide resources, policy guidance, and leadership necessary for its continued and successful existence
- c. ensure that the institution remains true to its mission and stated purposes

- d. Ensure that the institution has systems and practices of accountability for compliance with applicable laws and regulations and operations in an ethical manner.

Governance is the function of the constituency and the board of trustees. Exercise of the power of governance includes appointment of the president<sup>1</sup>, approval of the appointment of other key administrators and faculty, approval of policies, approval of funding mechanisms for the operations and facilities of the institution, and approval of legal compliance and ethical systems to assure accountability in its operations.

Administration refers to the:

- a. leadership of the institution
- b. management of the institution
- c. day to day conduct of the functions of the enterprise.

Administration is the function of the president and the administrative personnel responsible and accountable to the president. Exercise of the power of administration includes recommendations to Governance for approval of key staff members, the financial/funding, the facilities and operational policies of the institution. Administration has full responsibility and accountability to Governance for the day to day operation of the enterprise, including student and staff care.

- 3.2 Governing Style.** The Board will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of Board and staff roles, and proactivity rather than reactivity. In this spirit, the Board will:
- 3.2.1 Enforce upon itself and its Board members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect for clarified roles, speaking to management and the members with one voice, and self-policing of any tendency to stray from the governance structure and processes adopted in these Board policies.
  - 3.2.2 be accountable to Institution employees for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the Board to usurp this role or hinder this commitment.
  - 3.2.3 Monitor and regularly discuss the Board's own processes and performance, seeking to ensure the continuity of its governance functions by orientation, training, and evaluation.
  - 3.2.4 Be an initiator of policy, not merely a reactor to staff initiatives. The Board, not the staff, will be responsible for Board performance.

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<sup>1</sup> President is the generic term used to refer to the Administrator of the institution also referred to as Vice Chancellor, Rector, or Principal in different contexts.

- 3.3 Board Job Description.** The job of the Board is to lead the organization toward the desired performance and ensure that that performance occurs. The Board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. Consistent with the powers granted the Board in Article xx, Sec yy of the Bylaws and (GC WP BA 50 10; BA 55 15; FE 20 10;U 05 25,30; and [division] WP \_\_\_\_), the Board shall:
- 3.3.1 Determine the strategies and major goals, and hold the administration accountable for developing a strategic plan based on them.
  - 3.3.2 Determine the limitations within which the administration is expected to operate while achieving the goals.
  - 3.3.3 Monitor the performance of the organization relative to the achievement of the goals within the executive limitations.
  - 3.3.4 Maintain and constantly improve all ongoing policies of the Board in this BPM.
  - 3.3.5 Select, fairly compensate, nurture, evaluate annually, and, if necessary, terminate a president and Associates.
  - 3.3.6 Ensure financial solvency and integrity through policies and behavior.
  - 3.3.7 Require periodic financial and other external audits to ensure compliance with the law, the policy (GC<sup>2</sup> WP<sup>3</sup> S 05 30; S 15 15) and with good practices.
  - 3.2.8 Evaluate and constantly improve the Board's performance and set expectations for Board members' involvement as volunteers.
  - 3.2.9 Communicate regularly through the Chair with the institution personnel regarding the status of institution affairs.
  - 3.2.10 Develop and enforce the policies set forth in Part 5 of this BPM.
  - 3.2.11 Adopt limitations on the Chair's authority and the administration's authority to execute contracts and authorize expenditures.
- 3.4 Orientation.** Prior to election, each nominee shall be given this BPM along with adequate briefings on the role of the Board, officers, and staff and an overview of programs, plans, and finances. Soon after election, each new Board member will be given more comprehensive orientation material and training.
- 3.5 Chair's Role.** The chair shall have the authority to perform the duties in Article xxx, Section yy of the Bylaws. As the Board's Chair, the Chair manages the Board so as to maintain the integrity of the Board's processes and policies as stated in the BPM. The Chair ensures that the Board behaves in a manner consistent with its own rules and those legitimately imposed upon it from outside the organization. Meeting

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<sup>2</sup> GC refers to General Conference

<sup>3</sup> WP is working policy

discussion content will be those issues that, according to Board policy, clearly belong to the Board to decide; not to staff.

The authority of the Chair consists only in making decisions on behalf of the Board that fall within and are consistent with any reasonable interpretation of Board policies in this BPM and in the Bylaws. The Chair shall be the spokesperson for the Board and shall communicate frequently with the members on Board issues, actions, and decisions.

- 3.6 Board Meetings.** Policies that are intended to improve the process for planning and running meetings follow:
- 3.6.1. The frequency and schedule for Board meetings shall be set at the Board's organizational meeting.
  - 3.6.2. The administration shall assist the Chair and the committee chairs in developing agendas, which, along with background materials for the Board and committees, monitoring reports, the administration's recommendations for changes in the BPM, previous minutes, and other such materials, shall be mailed so that they reach all Board members no later than 3 days in advance of Board meetings.
- 3.7 Standing Committees.** Committees help the Board to be effective and efficient. They speak "to the Board" and not "for the Board." A committee may not exercise authority that is reserved to the Board by the Bylaws. Committees are not created to advise or exercise authority over staff. Once committees are created by the Board, the Board shall also appoint committee chairs and members for agreed terms. The administration shall assign staff members, as appropriate, to assist with the work of each committee. The composition of each committee will be determined by the board. The committees of the Board are: *[insert committee descriptions and responsibilities as subsections below]*
- 3.8 Board Members' Code of Conduct.** The Board expects of itself and its members ethical and businesslike conduct. Board members are required to abide by the description of their duties as presented in Article xx of the Bylaws and GC WP \_\_\_\_\_. Board members must attend meetings and offer unconflicted loyalty to the interests of the entire organization, superseding any conflicting loyalty such as that to family members, advocacy or interest groups, and other Boards or staffs of which they are members. Board members must avoid any conflict of interest with respect to their fiduciary responsibility (GC WP E 85). There must be no self-dealing or conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness.

Each Board member is expected to complete and sign a Conflict of Interest Statement (see tab \_\_\_ of the Board Reference Book). Board members are expected to keep in confidence the issues, discussions, and actions of the Board. As the spokesperson for the Board, the Chair shall determine whether and when Board information is shared with the Institution employees and the general public.

## **Part 4: Board–Administration Relationship**

- 4.1 Delegation to the President as the Administrator.** While the Board's job is generally confined to establishing high-level policies, implementation of those policies and subsidiary policy development are delegated to the president, who is the chief administrator together with other members of administration.
- 4.1.1 All Board authority delegated to staff is delegated through the administration, so that all authority and accountability of staff—as far as the Board is concerned—is considered to be the authority and accountability of the administration.
  - 4.1.2 Organization Essentials policies (BPM Part 2) direct the administration to achieve certain results. The policies in BPM Part 5, Executive Limitations, define the acceptable boundaries within which the administration is expected to operate. The administration is authorized to establish further policies, make decisions, take actions, and develop activities as long as they are consistent with any reasonable interpretation of the Board's policies in this BPM.
  - 4.1.3. The Board may change its policies during any meeting, thereby shifting the boundary between Board and administration domains. Consequently, the Board may change the latitude of choice given to the administration, but so long as any particular delegation is in place, the Board and its members will respect and support the administration's choices. This does not prevent the Board from obtaining information in the delegated areas.
  - 4.1.4 Not only is the administration expected to be responsive to the Board, but is expected to be responsive to Committees and their Chairs. Notwithstanding the foregoing, if, in the Chair's judgment, a request of the staff requires a material amount of staff time or funds or is disruptive, it may be declined.
- 4.2 President Job Description.** As the Board's single official link to the operating organization president performance will be considered to be synonymous with organizational performance as a whole. Consequently, the president's job contributions can be stated as performance in two areas: (a) organizational accomplishment of the major organizational goals in Section 2.4 of this BPM, and (b) organization operations within the boundaries of prudence and ethics established in Board policies.

**4.3 Communication and Counsel from the Board.** The president shall keep the Board informed about matters essential to carrying out its policy duties. Accordingly, the president shall:

4.3.1 Inform the Board of relevant trends, anticipated adverse media coverage, and material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established, always presenting information in as clear and concise a format as possible.

4.3.2 Relate to the Board as a whole except when fulfilling reasonable individual requests for information or responding to officers or committees.

4.3.3 Report immediately any actual or anticipated material noncompliance with a policy of the Board, along with suggested changes.

**4.4 Monitoring Executive Performance.** The purpose of monitoring is to determine the degree to which the mission is being accomplished and Board policies are being fulfilled. Monitoring will be as automatic as possible, using a minimum of Board time, so that meetings can be used to affect the future rather than to review the past. A given policy will be monitored through reports described below. The president shall help the Board determine what tracking data are available to measure progress in achieving the mission and goals and conforming with Board policies. Currently, the Board requests these regular monitoring reports, in addition to any specific reports requested in other sections of the BPM: *[insert Board reports here]*

**4.5 Annual Performance Review.** The Evaluation and Compensation (GC WP S 20 05) Committee shall formally evaluate the president and other administrators annually, based on achievement of organizational goals and any other specific goals that the Board and the administration have agreed upon in advance, as well as the subject's own written self-evaluation and invited comments from all Board members after they have seen the self-evaluation. The committee shall prepare a written evaluation for review and discussion by the full board. After approval by the Board, the evaluation shall be inserted in the 's personnel file.

Immediately following this process, the administration and the Board will agree on any specific, personal performance goals for the year ahead. These goals shall be (1) documented in a letter to the members of the administration from the Chair, and (2) the primary basis for determining the performance at the end of the next year.

**4.6 Staff Compensation.** The administration is expected to hire, train, motivate, compensate, and terminate staff in a professional and caring

fashion. Terms, salaries and benefits will be set within a range to be agreed upon between the administration and the Board. The administration shall (a) develop and maintain an employee manual that is reviewed annually by competent legal counsel and (b) provide copies of this manual to the Board for approval and information. It could be regularly revised as needed and approved accordingly. The manual shall include an outline of the grievance procedure.

**4.7 Staff Treatment.** With respect to treatment of staff, the administration may not cause or allow conditions that are inhumane, unfair, or undignified. Accordingly, they may not:

- 4.7.1 Discriminate among employees on other than clearly job-related, individual performances or qualifications and compliance with the institution philosophy.
- 4.7.2 Fail to take reasonable steps to protect staff from unsafe or unhealthy conditions.
- 4.7.3 Withhold from staff a due-process, unbiased grievance procedure.
- 4.7.4 Discriminate against any staff member for expressing an ethical dissent.
- 4.7.5 Prevent staff from grieving to the Board when (a) internal grievance procedures have been exhausted and (b) the employee alleges that Board policy has been violated to his or her detriment.
- 4.7.6 Fail to acquaint staff members with their rights under this policy.

**4.8 Board Reference Book and Web Site.** In addition to reports that the administration makes to the Board in accordance with BPM Section 4.4, the administration shall develop and maintain a Board Reference Book with all pertinent documents to which Board members might want to refer during Board and committee meetings (e.g., articles, bylaws, organization chart, recent minutes, committee roster, list of key volunteers/consultants, Board documents referred to in this BPM, etc.). In addition, as funding is available, the administration shall maintain a secure Internet web site for Board members to allow them to access relevant data and reports on a timely basis. The president shall notify Board members as new key information is posted to the Board web site. These should not be part of this BPM.

## **Part 5: Executive Parameters**

**5.1 General Guidance.** The purpose of BPM Part 5 is to detail those executive parameters (limitations) imposed by the Board that will guide the administration and the staff as they accomplish the mission of the Institution. These parameters are intended to free the administration and the staff to make timely decisions without delays. As a general statement

of policy in this regard, the Board expects that the administration will do nothing that is illegal, unethical, or imprudent. In addition to this statement of general limitations, the Board details its executive parameters in the sections that follow.

**5.2 Finance Parameters.** The administration must ensure that the financial integrity of the organization is maintained at all times; that proper care is exercised in the receiving, processing, and disbursing of funds; and that financial and nonfinancial assets are appropriately protected.

**5.2.1 Budgeting.** The budget during any fiscal period shall not (a) deviate materially from the Board's goals and priorities listed in Part 2, (b) risk fiscal jeopardy, or (c) fail to show a generally acceptable level of foresight. Accordingly, the administration may not cause or allow budgeting that:

5.2.1.1 Contains too little detail to (a) enable accurate projection of revenues and expenses, (b) separate capital items from operational items, (c) monitor cash flow and subsequent audit trails, and (d) disclose planning assumptions.

5.2.1.2 anticipates the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

5.2.1.3 Reduces the current assets at any time to less than twice current liabilities.

5.2.1.4 Provides \$xx,xxx or less for revenue contingency.

**5.2.2 Financial Controls.** The administration must exercise care in accounting for and protecting the financial assets of the organization. To this end, the administration is expected to incorporate generally accepted accounting principles and internal controls in the financial systems that are employed in the organization. In addition, the administration may not:

5.2.2.1 Receive, process, or disburse funds under controls insufficient to meet the Board-appointed auditor's standards.

5.2.2.2 Approve an unbudgeted expenditure or commitment of greater than \$yy,yyy (\$zz,zzz in the aggregate) without the approval of the Board.

**5.2.3 Asset Protection.** The administration may not allow assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the administration may not:

5.2.3.1 Fail to insure against material theft and casualty losses and against liability losses to Board members, staff, or the organization itself beyond the minimally acceptable prudent level.

5.2.3.2 Unnecessarily expose the organization, its Board, or its staff to claims of liability.

- 5.2.3.3 Make any major purchases or projects of over \$xxxxx without sealed bids or some other demonstrably prudent method of acquisition of quality goods, or any purchase of over \$xxxxx without a written record of competitive prices, or any purchase wherein normally prudent protection against conflict of interest has not been provided (GC WP E 85 15).
- 5.2.3.4 Acquire, encumber, or dispose of real property without Board approval.

**5.3 House Rules Limitations.** The House Rules are incorporated into this BPM by including them as Addendum A. As an Addendum to the BPM, the House Rules are subject to the same requirements for Board approval and document maintenance as stated in BPM Part 1.

SAMPLE