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An Overview of Governance

Welcome to the board of your International Reading Association Council!
You are the fiduciary – the legal trustee – of a nonprofit membership association that represents members in your state and does thousands of dollars worth of business annually. This handbook has been designed to give you the background you need to do your job well.

The International Reading Association is comprised of a vast world network of chapters, which include US councils, international affiliates and provincials, Special Interest Groups and university-based honor society, Alpha Upsilon Alpha. Your council is an important part of this network. Like IRA, your council operates under a governance model. A governance model, loosely defined, provides an organized group of people with the structure and process to identify initiatives and carry out activities to operate within boundaries all of the nonprofit state and federal regulatory requirements.

Exceptional Boardmanship

IRA is dedicated to developing the capacity of our councils to be exceptional in their ability to fulfill their fiduciary duties. Understanding what good governance is and how it works is the cornerstone for operating our councils successfully.

Good governance is about providing critical capital – intellect, reputation, resources, and access – to strengthen the organization and in turn, the community it serves. But a board may meet every legal requirement, adhere to proper procedures, and still be ineffective if it is not engaged in setting strategic direction and supporting the organization. An exceptional board recognizes the impact of its leadership, and board members understand that they must be thoughtful and engaged leaders – not merely competent, but passive stewards.

These materials are provided to help the International Reading Association’s network become an exceptional board members.

An exceptional board operates on a high level. Its members give their time, talent, and treasure. Exceptional boards measure organizational impact, evaluate their own performance, discuss and debate issues, and open doors and make connections. The difference between responsible and exceptional boards lies in the board’s thoughtfulness and intentionality, action and engagement, knowledge and communication.

Forming an exceptional board requires a clear answer to this question: *What benefits (or end results) are we providing to whom?* IRA’s mission is to promote reading by
continuously advancing the quality of literacy instruction and research worldwide. Each chapter of IRA should be asking “what are we doing or plan to do to fulfill IRA’s mission?”

A strong board makes good decisions quickly and uses the talents of its board members and administrative director by:

- being clear about its role
- approving procedures for how the board is going to operate, and
- establishing a partnership with the administrative director, so they can take the actions needed to accomplish the intended end results of the organization.

**What Behaviors Are We Settling For?**

Boards are like families: Their disease is in their secrets, and every board (like every family) has its norms and protocols for dealing with—or denying or avoiding—the tough issues.

If you have a serious concern that is not being addressed openly within the board, the odds are high that at least one or three other directors have a similar concern, oblivious to your shared discomfort. We provide a safe framework for surfacing unspoken issues by continuously working on keeping communication lines open and accessible, and by thoughtful utilization of Executive Sessions to discuss board issues.

“Settling for less” is a common board malady, and the gravitational pull towards mediocrity can be insidious. As any school teacher will confirm, students rise or fall to meet expectations. The same can be true of boards. The purpose of this handbook is to help in articulating and setting specific, high expectations of board service, board protocols, and director commitment to promote, facilitate and reinforce a collective spirit of accountability.

**IRA Principles of Good Governance**

IRA’s Board of Directors strives to reach and maintain a high level of governing operation and understands that cutting edge governance is efficient, focused and collegial if we, as a Board:

- function as a team;
- maintain and adhere to a Code of Conduct;
- entrust our committees and its members to carry out and fulfill committee purpose;
- establish a deliberate board recruitment process that is aligned to and conducted against a strategic purpose;
- provide new board members thorough orientation;
- evaluates our performance as a board annually;
- adopt a committee structure that is streamlined and flexible, and
• conduct meetings that are strategic, focused, engaging, and productive.

The following eleven principles are exemplary of an exceptional board. We, the IRA Board of Directors, aspire to achieve these principles, knowing that they will provide us with a vision of what is possible and a way to add lasting value to the IRA.

1. **Mission driven.** We are an Exceptional board that shapes and upholds the mission, articulates a compelling vision, and ensures the congruence between decision and core values. We treat questions of mission, vision, and core values not as exercises to be done once, but as statements of crucial importance to be drilled down and folded into deliberations.

2. **Strategic thinking.** Exceptional boards allocate time to what matters most and continually engage in strategic thinking to hone the organization’s direction. They not only align agendas and goals with strategic priorities but also use them for assessing their performance as a board, driving meeting agendas and shaping board recruitment.

3. **Culture of inquiry.** Exceptional boards institutionalize a culture of inquiry, mutual respect, and constructive debate that leads to sound and shared decision making. They seek more information, question assumptions, and challenge conclusions so that they may advocate for solutions based on analysis.

4. **Independent mindedness.** Exceptional boards are independent minded. They apply rigorous conflict-of-interest procedures, and their board members put the interests of the organization above all else when making decision. They do not allow their votes to be unduly influenced by loyalty to the chief executive or seniority, position, or reputation of fellow board members, staff, or donors.

5. **Ethos of transparency.** Exceptional boards promote an ethos of transparency by ensuring that donors, stakeholders, and interested members of the public have access to appropriate and accurate information regarding finances, operations, and results. They also extend transparency internally, ensuring that every board member has equal access to relevant materials when making decisions.

6. **Compliance with integrity.** Exceptional boards promote strong ethical values and disciplined compliance by establishing appropriate mechanisms for active oversight. They use these mechanisms, such as independent audits, to ensure accountability and sufficient controls; to deepen their understanding of the organization; and to reduce the risk of waste, fraud, and abuse.

7. **Sustaining resources.** Exceptional boards link bold visions and ambitious plans to financial support, expertise, and networks of influence. Linking budgeting to strategic planning, they approve activities that can be realistically financed with existing or attainable resources, while ensuring that the organization has the infrastructure and internal capacity it needs.

8. **Results oriented.** Exceptional boards are results oriented. They measure the organization’s progress toward mission goals and evaluate the performance of major
programs and services. They gauge efficiency, effectiveness, and impact while simultaneously assessing the quality of service delivery, integrating benchmarks against peers, and calculating return on investment.

9. **Intentional board policies.** Exceptional boards purposefully structure themselves to fulfill essential governance duties and to support organizational priorities. Making governance intentional, not incidental, exceptional boards invest in structures and practices that can be thoughtfully adapted to changing circumstances.

10. **Continuous learning.** Exceptional boards embrace the qualities of a continuous learning organization, evaluating their own performance and assessing the value they add to the organization. They embed learning opportunities into routine governance work and in activities outside of the boardroom.

11. **Revitalization.** Exceptional boards energize themselves through planned turn-over, thoughtful recruitment, and inclusiveness. They see the correlations among mission, strategy, and board composition, and they understand the importance of fresh perspectives and the risks of closed groups. They revitalize themselves through diversity of experience and through continuous recruitment.

**Role and Responsibilities of the Board**

Each member of the Board of Directors is responsible for ensuring that IRA fulfills its mission by planning for the future, monitoring operations, and evaluating the organization’s performance. As a board, you fulfill your fiduciary responsibility by making corporate decisions that protect the public interest. Specifically, the role of the IRA Board of Directors is to:

- **PLAN STRATEGICALLY** toward the future
- **ESTABLISH POLICY** that guides IRA and articulates the values that frame future strategies
- **ADVOCATE** for and champion IRA’s cause
- **GENERATE REVENUE** to ensure that IRA is financed properly, now and in the future.

The Board of Directors establishes the **framework** for the organization.

- Periodically updates the mission and vision statements
- Defines what benefits (or end results) the organization is providing to whom
- Determines how organizational performance will be measured.

The Board of Directors sets the **direction** for the organization.

- Sets goals and approves and monitors the strategic or business plan
- Develops organizational policies, including the policies that govern how the board will operate.
The Board of Directors is responsible and accountable for the behavior and performance of board members.

- Establishes the code of ethics for the board, including policies related to private inurement and conflict of interest, and sets the tone for organizational behavior.
- Monitors financial and operational performance. Evaluates the board based on achievement of the end results and compliance with predefined limitations or requirements.
- Serves as the last court of appeal within the organization.
- Selects an auditor and receives the audit report.

The Board of Directors represents the organization to the outside world with good will and support.

- Supports the organization by making personal donations of time and garnering resources and advisors.
- Serves as the organization’s ambassador as needed and requested by the Board or Executive Director to other agencies, potential members and the general community.
- Communicates the value of the organization to prospective members.
- Attracts members, supporters, favorable press, and new board members.

**Board of Director Job Description**

In your volunteer role as a board member, you have many duties. The following are key responsibilities that you will be expected to fulfill throughout your three-year term:

- Advance the mission of IRA through the work of the council.
  - Actively promote the mission of IRA, contributing ideas and expertise.
  - Keep up-to-date on developments in the field of literacy education.
  - Be informed about the IRA’s mission, and the council’s services, policies, and programs that fulfill the mission; inform others about the organization, and work to enhance the organization’s public image.

- Ensure effective organizational planning.
  - Determine and monitor the organization’s programs and services.
  - Participate in the development of a strategic plan to accomplish the mission, oversee its implementation and evaluate its success.

- Actively participate in all board activities.
  - Attend in person or by phone bi-monthly board meetings.
Review agenda and supporting materials prior to board and committee meetings.

Serve on a committee and periodically take on special assignments.

Suggest nominees to the board who can make significant contributions to the work of the board and to the organization.

Assess the board’s performance.

- Ensure adequate resources.
  - Make a personal financial contribution to the organization.
  - Manage resources effectively.
  - Carry out the fiduciary responsibilities of the board, such as reviewing the organization’s annual financial statements, selecting an auditor and receiving the auditor’s report.

- Follow conflict-of-interest and confidentiality policies.

**Elected by:**
As determined by your bylaws.

**Term Length:**
As determined by your bylaws.

**Time Commitment:**
Minimum of quarterly meetings at designated locations; additional time required for special board meetings (conference calls), committee work and other board commitments.

**Reports To:**
Board President

**Budget Support:**
As approved by the board.

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**Job Descriptions for Officers**

**President of the Board**

**Role and Function:** Assure that the Board fulfills its responsibilities to the organization. Specifically you are responsible for:

- all duties as outlined under Board of Director Job Description
- being a trusted advisor to the board and to staff (if you have staff);
- developing and managing relationships;
- consulting with board members on roles and helping them assess their performance;
• planning, presiding over, and facilitating board and committee meetings; ensuring board resolutions are carried out;
• acting as an ambassador for the organization, and
• ensuring council commitment to a diverse board that reflects the communities served.

Leadership Skills: as President, you should:
• Be approachable and available.
• Be a good listener and communicator.
• Show integrity, respect, and humility.
• Be a strategist and a visionary and generative thinker.
• Have group facilitation skills.
• Encourage open communication and constructive debate.
• Celebrate hard work and achievement of board.
• Promote outstanding board development and governance practices.

Responsibilities: as President, you should
• Ensure that all board members carry out the roles and responsibilities of service.
• Be the contact for board members on issues.
• Oversee a board assessment process.
• Preside over meetings and events.
• Promote meaningful dialogue at meetings; give every member an opportunity to contribute.
• Appoint board committee and task force chairs.
• Serve as committee ex officio, except on Governance.

Vice President of the Board
Role and Function: Stand in for the President if he/she is unavailable.
Responsibilities:
• All duties as outlined under Board of Director Job Description.
• Carry out special assignments as requested by the board President.
• Understand the responsibilities of the board President and be able to perform these duties in the President’s absence.
Secretary of the Board
Role and Function: Maintain all board records and ensure their accuracy and safety.
Responsibilities:
- Attend board meetings.
- Record the proceedings of all meetings of the board and compile and distribute the minutes for board approval.
- Review board minutes and sign approved minutes.
- Provide notice of board meetings and committee meetings when such notice is required.

Treasurer of the Board
Function: Oversee and inform the board of the organization’s overall general financial health, well-being, including the management of assets, and the generating of revenue and expenditures.
Responsibilities:
- Attend board meetings.
- Assure that the Association/council is following appropriate financial policies and that qualified staff or consultants perform financial functions. Understand regulatory and legal requirements for financial accounting and standards of practice for nonprofit organizations.
- Assure that accurate financial records for the organization are being kept.
- Manage, with the finance committee, the board’s review of and action related to the board’s financial responsibilities.
- Lead the board/Finance Committee in preparation the annual budget and present the budget to the board for approval.

At specified reporting periods, and upon request, provide the board with an account of transactions and of the financial condition of the organization.

Board Self-Assessment
The Maine Association of Nonprofits has perfectly summed up the critical importance of regular self-assessments for boards:

“A strong, vibrant board of directors is a clear indicator of a healthy organization. Yet even the best organizations need a periodic check-up to ensure that they cannot just survive, but will really thrive in today’s environment. To check your board’s vital signs, or to put in place practices and strategies for a healthy and energized board, the best place to start is with a board self-assessment.”
Boards operating at the highest levels are always fine-tuning their recruitment process, identifying new topics for board education, and reviewing meeting evaluations to learn what they can do better. IRA wants to ensure that it is a board operating at its highest level.

When we talk about “board self-assessment,” we are talking about (as the name suggests) the board assessing itself. It is not a performance evaluation of the Executive Director, the organization, or even individual board members. Rather, it is an opportunity for the board to look at itself and ask, “How are we doing as a board?”

The intent of the annual Board Self-Assessment is to determine how satisfied board members are with board processes and how individual members and the board as a whole can be most effective in supporting the organization. The value of board self-assessment comes when the tool leads to a healthy and productive discussion about the board’s strengths and weaknesses and results in an agreed upon plan for building a stronger board and governance model.

A board assessment process helps board members:

- Reflect on their experience as a board member
- Explore how comfortable, enjoyable, and meaningful participation on the board is to the board member.
- Understand individual expectations for preparation time, how the meetings are run, and how decisions are made.
- Identify different perceptions and opinions among board members about the board’s role.
- Identify and remove obstacles to increased board effectiveness.

In the appendix at the end of this manual is a sample evaluation tool for assessing board performance. The Governance Committee oversees board evaluation, including review and selection of an assessment tool, and compilation and analysis of the results. Feedback from board members through an assessment process can be used to identify and develop strategic initiatives, improve effectiveness as a board, enhance and improve board meetings, and inform strategies for board recruitment.
Communications

One of the key roles of board members and staff are to serve as ambassadors of IRA and the council’s brand and message. There is an expectation that board members and staff (if you have staff) unequivocally support and represent the organization in all settings, and communicate that support to the public.

IRA maintains an Communications Policy, which can be found in the appendix at the end of this handbook. IRA recommends that your council adopt a similar policy to be very clear about who communicates on behalf of the council. The following is a synopsis of important points to remember in regard to communications.

Media Inquiries/General Communications
The official spokesperson for the association is the President or his or her designee, in the event that he/she is unavailable. The Vice President, State Coordinator or a designee of the President may be asked to speak with the media on behalf of IRA. The board may at times, designate another board member to be the media spokesperson, when appropriate.

All board members who receive calls from the media should direct them to the President, or if he/she is not present, to the designated spokesperson.

Legal issues
All communications with legal counsel shall be through the President, or his/her designee.

Comments, Criticism and Complaints
As a board member, you will be frequently sought out by the membership (and sometimes non-members) and asked to provide input or insight on council issues or topics, and often, approached by members who have an issue, comment or complaint. It is important to remember that as a primary ambassador of the organization, you have an obligation to support IRA and provide positive representation on behalf of the organization, even when you may not like or agree with certain decisions or issues.

All concerns or complaints made to an individual board member shall be referred to the President or his/her designee for response and/or action. A board member or officer who receives a request or complaint from an employee (if you have employees), a volunteer or a client shall follow the following process.

- The board member should hear the request/complaint for general understanding of persons involved, date and place.
- If necessary, repeat problem back to confirm understanding.
- As appropriate, suggest that the information be communicated directly to the Executive Director/lead staff person or in the absence of an Executive Director/lead staff person, to the president of the board.
- The board members should refrain from providing or expressing his/her opinion.
- In addition to informing the Executive Director/lead staff person, (if one is employed), a board member may inform the board president of the complaint, although he/she is not required to do so, if the opportunity to inform staffed leadership exists.

Please be sure to review the Communications Policy sample in the addendum for further guidance.
Board Meetings

Board meetings are held to apprise members of the board as to the progress of work that emanates from the staff and/or the committees (provide information), generate input on items through discussion, and make decisions by voting approval or expressing agreement. Our goal is to communicate the work being conducted throughout the organization, and to conduct highly organized, focused meetings that efficiently and effectively process information, discussion and decisions.

Governance is meant to be fluid and responsive, able to flex and change as needed by the strategic direction of the organization and not meant to be so rule-bound as to stymie the board from getting things done. A general rule of thumb is that decisions made by the board through vote or agreement and reflected in the minutes have a general shelf-life of about one year. The reason for this is that some decisions may not have been implemented or may have been unable to be implemented due to some extraneous circumstances unforeseen at the time of the board decision.

Scheduling Travel for Board Meetings and Other Purposes

Board meetings may be held at locations designated by the board annually, by conference call, and often, at the annual conference. A schedule of the meetings should be provided to board members each year.

Board Meeting Materials

Board members should be provided with all materials relevant to the board meeting at least one week prior to the scheduled date. These materials should include the agenda, reports, financial statement of accounts and activities, and supplemental materials designed to inform and prepare each board member for actively engaging and participating in the board meeting. In an effort to be environmentally and cost-conscious, provide all documents to all board members in electronic format and refrain from distributing print copies, unless a special accommodation is requested. Board members should be encouraged to bring any mobile devices, computers, laptops or computer pads to view documents, and it may also be helpful to have an overhead projector for projecting documents as they are discussed.

Board Meeting Agenda

The regular meeting agenda is formatted to include a consent agenda, action items and information/discussion items. This format allows the Board of Directors to streamline the dispensing of perfunctory business so that ample time is allowed for full discussion and the making of decisions through voting.

Consent Agenda

Routine items that require no discussion will be placed on the consent agenda. Examples of the items that may be placed on the consent agenda are:

- Minutes of meetings, committee reports, individual reports
• Routine updates, award recipient approval, items previously discussed by the board

Any board member wishing to discuss an item on the consent agenda may ask that that item be pulled from the consent agenda and placed on the regular agenda so that a full discussion can take place.

A request for information or questions about any agenda item should be made, if possible, at least five business days prior to the scheduled meeting the Board President.

Development of the Agenda
The final agenda item of each board meeting will be to identify any items or discussions, requiring further discussion or action that should be placed on the next board meeting’s agenda. Additionally, board members will be asked to submit any additional items to the President at least 15 days prior to the scheduled board meeting. Items requested by Board Members will be placed on the agenda at the next board meeting or, if this is not possible, within two regular meetings. The President, with input from the board and the officers, develops the board agenda.

Conducting Board Meetings
The board operates under general practices of Roberts’ Rules of Order for conducting its meetings, although we no longer cite use of the process in our bylaws.

Discussion of motions
• All discussion shall be directed solely to the business under deliberation.
• The board president has the responsibility to keep the discussion to the motion at hand and shall halt discussion that does not apply to the business before the Board.

Voting Practices
• A formal vote will be taken on any items identified on the agenda as “action required” and any other items where the president or a board member request a vote be taken.
• The board president is an active members of the board with full rights as a board member and shall have the right to discuss agenda items, to make motions and resolutions, and vote on all matters coming before the Board.
• No member should vote on a motion in which he or she has a direct personal or pecuniary interest.
• Dissenting and abstaining votes shall be recorded in the minutes of the board meeting.

A Word on Abstentions
Every member has a right and, one can argue, an obligation to vote as a member of the board. For this reason it is important to vote your opinion on every matter. Directors may
sometimes wish to abstain from voting on a resolution rather than to vote against it. This action is often a response to the pressure to exhibit unanimity among directors. Some perceive abstention as an inoffensive way to note an objection while leaving the unanimity intact. Though such conduct may please some, it does not serve the best interests of the organization.

Abstention is only appropriate for a director when asked to vote on a matter in which he or she has a personal conflict of interest (and the conflict cannot be and does not mean a personal desire not to have a vote recorded). A conflict of interest exists when a director’s loyalties are divided, especially when corporate action may result in personal gain. Apart from conflict of interest situations, abstention from a vote should rarely if ever be used as it may demonstrate a lack of courage or conviction of a director to vote their opinion, and in most cases, object. Further, from a liability perspective, abstentions by directors present at a meeting legally count the same as a vote of approval. A director must actually record a dissenting vote to avoid responsibility in a matter the board has approved.

**Executive Session**

An executive session – sometimes called a *closed meeting or in camera session* – is a useful tool for protecting and advancing the best interests of the organization. Executive sessions provide a venue for handling issues that area best discussed in private, fostering robust discourse, and for strengthening trust and communication. Distinguished by their purpose and participants, executive sessions serve three core functions: (1) they assure confidentiality, (2) they create a mechanism for board independence and oversight, and (3) they enhance relationships among board members and with the chief executive. IRA’s Board of Directors regularly places an Executive Session on the meeting agenda, although it may not be used every time.

Executive sessions can take place at any point on the agenda.

When the board enters into an Executive Session, the following conditions will apply and should be outlined prior to the session:

- The item or items being discussed in the Executive Session will be reflected on the agenda. Discussion will be confined to only those items identified on the agenda.
- Board members are present in Executive Session, as well as other attendees invited by the board.
- Information discussed in closed session must remain confidential.
- Discussion taking place will not be recorded in the minutes of the meeting, however the purpose of the session, the time the board entered and exited Executive Session, who was present, and a list of any actions taken or decisions made is noted.
Minutes

Minutes are a permanent record of a board meeting, and can also serve as a record for committee meetings. As it pertains to the board, the minutes are a necessary legal document, but they are also a practical means for conveying information about that action was taken at a meeting. Some common uses of minutes are as reference material, as board history, as legal review of proceedings, and as a board orientation tool. The basic elements of good minutes include:

- Meeting details: date, location, who attended, who was absent or arrived late; quorum present
- Meeting substance: names of presenters, issues discussed, materials distributed, major points of discussion in summary
- Clearly state decisions/actions taken; outcome of votes: indicate names of those voting against or abstaining and/or not present at time of vote
- If conflict of interest is discussed, indicate if director with conflict was present during discussion
- Identify reports, materials distributed, names of people giving oral reports

Minutes are not a verbatim account of the meeting: when a debate or discussion is recorded, only the major points for and against the issue at hand are included. Names or direct quotations are not recorded in relation to debate.

Board Meeting Questions

For Promoting Board Dialogue
- Who sees the situation differently?
- What are we missing?
- What problems might the proposed solution create?
- What is the best possible outcome?
- What is the worst-case scenario?
- What is the next question we should address?

Questions to Vet an Idea or Proposal
- What is the vision for this program, project? (Fit to mission/purpose)
- Who will the program serve? (Stakeholders)
- Who else is offering services like this program? (Competitors)
- What data do we have that supports that we need this?
- What will it cost? Have we money in the current budget or is this additional cost outside of the budget?

Finance Questions
- Is our financial plan consistent with our strategic plan?
- Do we have sufficient resources? Has the board adopted a formal policy regarding reserves?
- Have we run a gain or a loss – both overall and by activity? Compared to a year ago, are we better or worse off financially?
- Are our key sources of income rising or falling? If they are falling, what are we doing about it?
- Are our key expenses under control?
- Do we regularly compare our financial activity with what we have budgeted? How do we make sure that the differences between budgeted and actual amounts are appropriately addressed?
- Does the board provide oversight of contractual agreements to ensure that the organization’s exempt status will not be questioned or impaired?
- Is the organization acting in accordance with the IRS rules?
- Do we annually review the 990? Does it accurately represent our organization?
- Do we file, on a timely basis, all the reporting documents required by law and by IRA?
- Do we have a policy prohibiting conflicts of interest, and do we periodically monitor compliance with the policy?
- Do most board members feel that they can at least reasonably understand the financial statements? If not, how can we improve our board’s comprehension?
- Does our annual audit have a clean opinion? If not, why not? What have we done to address the issues raised by the auditor?
- Have we thoroughly reviewed our operation to make sure we are appropriately insured?
- Do we have directors’ and officers’ liability insurance?
Committees

Our tendency in IRA has been to have committees that never go away, even when the job that they were charged to do no longer yields meaningful outcomes that help us to fulfill our mission or purpose. There are many committees whose purpose is simply no longer relevant, which often leads to a lack of engagement in the work. We often find that the reason a chair hasn’t submitted a report is because the committee hasn’t met; the committee often hasn’t met because whatever we gave them to do may not have been clear enough or even important enough to warrant convening a group of people. It is vital that board periodically ask “What work do we need a committee to do/what work is best done by committee?” and “Is the work we have given the committee to do meaningful?”

There are generally two types of committees: committees of the board (board committees, formerly often called standing committees) and special committees. Special committees (which include task force and ad hoc committees) are established and organized around the activities – primarily the delivery of programs and services - that assist the board in implementing mission. Special committees are established based on need for completion of work and can therefore be changed, eliminated or added to fit the work needs of the organization. Examples of special committees include the conference committee, award committees, position paper committees, topic-centered committees, etc.

Committees of the board are comprised of two to three board members, and in the case of IRA, also have the Executive Director or other staff assigned to them. These committees serve the board’s needs and are set up to specifically assist the board in undertaking and completing its work as a fiduciary. IRA recommends that councils maintain the following board committees: Governance and Finance. The Governance Committee would replace and subsume the duties of a Bylaws Committee and would oversee the recruitment and nomination of new board members, although you may desire to appoint a sub-committee as the Nominating Committee. The Finance Committee replaces a Budget Committee, if one exists, and has a broader scope of work that includes regular –monthly or quarterly – monitoring of the general financial health of the organization, including a review of all assets and expenditures.

Sample charges for these committees can be viewed in the Appendix.

There are some general rules around committees of the board, especially in relationship to maintaining proper checks and balances on oversight. Here is a summary of items to keep in mind:

- If you conduct an audit, the Audit and Finance Committee need to be separate (Finance Committee should not oversee the audit). The committees should have separate chairs, although the committees may share some members.
• It is appropriate for the Executive Director/lead staff member to serve as an ex-officio member of all committees, if applicable.

• To maintain the proper financial checks and balances, the president should not chair the Finance or Audit Committee, although he/she may serve as a regular or ex-officio member of the committee.

• The president should not chair the Governance Committee, although he/she may serve as an ex-officio member.

Charges of committees while periodically reviewed, generally do not change each year. However, goals and or tasks of committees are reviewed annually and established by the board and/or the chair. Committee chairs are selected by the Board President and committee members are selected by the Chair, through dialogue with the officers and board.
Governance Committee Charge

Purpose of Committee
The purpose of the Governance Committee is to ensure that the board has all the necessary resources (people, knowledge, structures and processes) to effectively provide fiduciary oversight of the nonprofit organization over which it presides.

Responsibilities
Traditionally, the Governance Committee (and in some cases, the Nominating Committee, which may be a sub-committee of the Governance Committee) assumes the overall responsibilities for:

- identifying, stewarding and recruiting qualified individuals to become directors of the Board;
- recommending to the Board qualified director nominees;
- recommending to the Board qualified nominees for the position of officers;
- conducting an annual evaluation of the board;
- conducting ongoing board development and training, and
- periodically reviewing the bylaws, policies and procedures of the organization.

In summary, the Governance Committee ensures that the board is populated with individual board members who possess the necessary knowledge and skills to effectively carry out their fiduciary oversight of the organization. The Governance Committee periodically assesses the structures and the processes by which the board undertakes its work and recommends improvements or changes as needed. This includes the periodic review and recommendations for modifications of and/or addition to the bylaws, policies and procedures of the organization. Finally, the Governance Committee is also responsible for the continuing development and ongoing maintenance of general board ability to conduct its work and fulfill its purpose. The Governance Committee oversees board development activities, sets and enforces its own expectations, and allots time, attention, and resources to understanding its stewardship role. The Governance Committee makes it possible for the board to be run well.

Specific responsibilities of the Governance Committee include:

1. Help create board roles and responsibilities.
   - Lead the board in regularly reviewing and updating the board’s description of its roles and areas of responsibility and what is expected of individual board members.
   - Establish and monitor policies for board performance, such as confidentiality, value of travel, and conflict of interest.

2. Assist in board development.
• Provide candidates with information needed prior to election to the board.
• Oversee a process of board orientation, sharing information needed during the early stages of board service
• Design and implement an ongoing program of board information, education, and team building.

3. Assess board effectiveness.
• Initiate an annual assessment of the board’s performance, and propose, as appropriate, changes in board structure and operations.
• Provide ongoing counsel to the board President and other board leaders on steps they might take to enhance board effectiveness.
• Regularly review the board’s practices regarding such items as board member participation, conflict of interest, and confidentiality, and suggest needed improvements.
• Periodically review and update the board policy and practices.

If the organization does not use a representative format for populating the board, the Governance Committee through its own work or through the work of an appointed Nominating Committee, is also responsible for the recruitment and nomination of new board members.

Members
The Committee is comprised of three Board members, one from each term year. The Executive Director or senior staff member, if employed by the council, serves as an officio member.

Terms of Committee Members
The term of office is three years. In the event of a vacancy, the board can appoint a Board member to serve the remainder of the term vacated or leave the seat vacant until the next fiscal year and the appointment of the new board member.

Timing and Frequency of Meetings
Conference calls or in person meetings are called and scheduled as needed by the Committee Chair to accomplish annual goals and tasks.
Finance Committee Charge

Purpose of Committee
The committee oversees the proper performance of all the organization's financial operations by regularly reviewing all financial activity. The Committee reviews the annual budget with management prior to presentation to the Board of Directors. It provides advice and counsel to the Board of Directors on any financial matters and strategic issues with financial implications. The presence of a fully engaged finance committee is a strong indication that an organization is committed to good stewardship and is actively building and preserving the financial resources necessary to support the accomplishment of its mission, both for the short and the long term.

Responsibilities
- Reviews annual budget proposal with management for presentation to the Board
- Ensures annual budget aligns with Board approved strategic initiatives
- Monitors financial activity on a monthly basis to ensure fiscal health of the organization
- Reviews draft of the annual audit and the IRS 990

Members
The Committee is comprised of three Board members, one from each term year and a non-Board volunteer with financial expertise. The Executive Director and Director of Finance serve as ex officio members.

Term of Office
The term of office is three years, with a two year renewable term for the non-Board volunteer. In the event of a vacancy, the Board can appoint a Board member to serve the remainder of the term vacated or leave the seat vacant until the next fiscal year and the appointment of the new board member. The Chair of the Committee is appointed annually by the board and serves one year.

Timing and Frequency of Meetings
Conference calls or in person meetings are scheduled at least once a quarter to review any financial matters, financial statements and budget as needed. Additional meetings may be called by the Committee Chair as needed.
Audit Committee

Purpose of Committee
In keeping with sound financial practice and fiduciary oversight, IRA periodically appraises the internal control and accounting systems of IRA. The IRA Audit Committee is charged to assist the Board in fulfilling its responsibility to oversee administrative management’s conduct of the system of internal control, reporting and accounting systems, which includes overview of the financial statements and other financial information provided by the organization and its subsidiaries to any governmental or regulatory body, the public, financial institutions and the IRA’s internal community. The Committee is specifically charged with the following:

- To recommend to the Board, and engage upon Board approval, the independent auditors for the IRA annually and to give oversight to the annual independent audit of the IRA’s financial statements.
- To oversee the general compliance of the IRA with applicable laws and regulations, and policies and procedures established by the Board.

The Committee may request any independent auditor, expert, officer, trustee, agent or employee of the IRA to appear before it to report on the financial condition of the IRA or any other aspect of the IRA’s operation and answer any questions the Committee might have. The Committee has full access to all records and facilities for this purpose.

Responsibilities
The role and responsibility of the Committee is oversight. The Finance Committee has the responsibility to report to the Board. Management is responsible for preparing the financial statements, governmental and other reports of the IRA, for operating IRA, including its financial systems, and for assuring compliance with applicable laws and regulations, and with policies and procedures approved by the Board. The internal auditors have responsibility for the examination and evaluation of the adequacy and effectiveness of the IRA’s governance, risk management process, and system of internal controls in carrying out assigned responsibilities to achieve the IRA’s stated goals, standards, and objectives. The external auditors are responsible for auditing the IRA’s financial statements and such other functions as they are specifically approved and engaged to audit by the Committee.

It is recognized that management, the internal auditors, and the external auditors have more time, knowledge and detailed information about the IRA than the volunteer members of the Committee. Consequently, in carrying out its oversight function, the Committee is not providing expert or special assurance as to the IRA’s financial statements or professional certification as to the work of the IRA’s staff or of the outside auditors. In discharging their duties, the members of the Committee may rely on information, opinions, reports or statements, including financial statements or other financial data, prepared or presented by officers, employees, internal or external counsel, public accountants, committees of the Board duly designated with authority in
particular areas, or other persons whom the members believe are reliable and competent in the matters presented, provided that in so relying the member is acting in good faith and with that degree of diligence, care and skill which ordinarily prudent audit committee members would exercise under similar circumstances. The Chief Audit Executive is charged with presenting all significant deficiencies and material weaknesses to the Committee, including expedient contact with the Committee Chairperson when such deficiencies and weaknesses have not been satisfactorily resolved by IRA Management.

The following functions are appropriate common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate under the circumstances.

**External Audit:**

1. Select, recommend to the Board, and engage upon Board approval, the IRA’s external auditors taking into account the recommendation of the Director of Finance and pre-approve external auditor’s plans and fees for all audit and significant non-audit services.
2. Review reports of external auditors.
3. Meet separately with the external auditors if needed, to discuss any matters that the Committee or auditors believe should be discussed privately.
4. Review and confirm the independence of the external auditors for the performance of both audit and non-audit services.
5. Evaluate the report of the external auditors regarding the results of the annual audit including, but not limited to:
   a) The audited financial statements and management letter recommendations and Management’s responses thereto.
   b) The adequacy of the IRA’s system of internal controls.
   c) Management and Internal Audit’s cooperation with the external auditors.
   d) The adequacy of the IRA’s accounting policies and practices, including the level of compliance with governmental regulations, and with recent professional pronouncements and their impact on the financial statements.

**Audit Committee Structure**

The Committee shall be composed of not less than three board members who have no relationship with the IRA that may interfere with the exercise of their independence from management and the IRA or the external auditors. Audit Committee members will be appointed by the Chairperson of the Board and approved by the Board at its annual meeting to serve for a term of one year, or until their successors shall have been appointed. The Chairperson of the Board, the Vice Chairperson of the Board, and the Executive Director shall not be members of the Committee but may, upon invitation of the Committee, attend any meeting. The Director of Finance shall not be a member of the Committee but shall be invited to all meetings at the discretion of the Chairperson of the Committee. The Chief Audit Executive will act as staff of the Committee to provide IRA information to assist the Committee in fulfilling their responsibilities.
A. **Appointments, Terms, Meeting Frequency, and Financial Literacy:** The Chairperson of the Board shall appoint the Chairperson of the Committee. The Chairperson of the Committee will be approved by the Board at its annual meeting to serve for a term of one year, or until his or her successor has been appointed. The Committee shall meet at such times and places upon such notice as it may determine, at least twice per year. All Committee members shall be financially literate (or shall become financially literate within a reasonable period of time after appointment to the Committee), and at least one member shall have accounting or related financial management expertise. The Chairperson of the Committee and the Chief Audit Executive will ensure that Committee members are provided with a proper Committee orientation.

B. **Private and Executive Sessions:** A private session of the Committee may be held at the conclusion of general meetings of the Committee, with the Chief Audit Executive, the external auditors, counselor such others as the Committee may request to discuss privately any concerns or issues not appropriate for discussion with all participants present at the general meeting. Each private session shall be attended only by the members of the Committee and the individual(s) requested to attend the private session. An executive session may be held at the conclusion of all meetings of the Committee, attended by only the members of the Committee in order to offer Committee members the opportunity to reflect privately on any concerns or issues raised in the meeting.

C. **Minutes:** Committee meeting minutes shall be prepared and distributed to all Committee members. A copy of the minutes shall be sent to the Secretary of the IRA to be kept with the official minutes of Board committees. A report of each Committee meeting may be presented at the next succeeding meeting of the Board during its executive session with the Executive Director, as determined by the Chair of the Committee.
BOARD POLICIES

Board policies provide guidance to those vested with overseeing the organization about how important activities are handled by the board or the executive/staff. Written policies help the board do its work more effectively, spending less time on process and discussion of redundant issues. Additionally, Congress has asked the IRS to assume a monitoring role over the governance practices of nonprofits and as a result, the IRS now asked nonprofits to disclose whether they have several specific policies in place when they file their 990 tax forms.

The Governance Committee, along with the Executive Director of IRA, periodically reviews the policies, as well as the bylaws to ensure they are up-to-date with legal requirements, as well as reflective of legal and nonprofit trends for policies and governance. Bylaw and policy reviews are also periodically conducted by IRA’s legal advisors.

The following polices are key policies, some of which are required for nonprofits by the federal government and others required by the International Reading Association for all chapter affiliates. The policies include:

- Member Code of Conduct
- Board of Directors Code of Conduct
- Conflicts of Interest Policy and Procedures (addressed in IRA’s bylaws and the bylaws of its chapters and in this handbook)
- Document Retention Policy and Procedures
- Whistleblowers Policies and Procedures
- Private inurement

The IRA Policy Manual has many additional policies is available electronically.
International Reading Association
Member Code of Conduct and Policy

The International Reading Association’s Member’s Code of Conduct is intended to provide members of the Association with a set of best practices and guidelines with which members agree to adhere to when joining and maintaining their membership in the IRA. In order to qualify as a member or renew membership, each member will be required to comply with this Code of Conduct.

This Code of Conduct represents a commitment by the IRA and its members to follow the ethical standards and best practices evidenced by this Code of Conduct at all times, including, but not limited to: behaving with common courtesy and civility; conducting themselves in a businesslike, ethical and appropriate manner; and not engaging in or facilitating any discriminatory or harassing behavior directed toward any IRA or chapter staff, officer, director, member, meeting attendee, exhibitor, advertiser, sponsor, supplier, contractor or others in the context of activities relating to IRA or IRA chapters.

Conduct at non-IRA-sponsored activities is viewed as the members’ personal business. Conduct at IRA-sponsored or IRA chapter-sponsored events is expected to be in accordance with this the Code. IRA reserves the right to impose disciplinary sanctions or take other appropriate action when conduct is not in accordance with the Code.

The following categories and examples of unacceptable behavior are subject to disciplinary actions. IRA reserves the right to identify other behaviors not listed below. The Board of Directors of IRA will make such determinations.

Personal Misconduct

Unacceptable personal misconduct is defined as:

- Harassing, physically threatening, or physically or verbally abusing any person in the Association or at any IRA-sponsored or IRA chapter-sponsored function or event.
- Conducting oneself in a manner endangering the health or safety of another person.
- Harassing any individual because of that person’s race, color, gender, religion, marital status, disability, sexual orientation, or for other reasons by: (a) intentionally subjecting another person to offensive physical contact other than self-defensive; (b) specifically insulting another person in his or her immediate presence with abusive words or gestures when a reasonable person would expect that such act would cause emotional distress or provoke a violent response; or (c) unwanted sexual behavior directed toward an individual.
• Engaging in lewdness or indecency.
• Exhibiting disorderly conduct (including that resulting from drunkenness), unreasonable noise, or behavior that results in unreasonable annoyance.
• Tampering with safety systems (such as fire-fighting equipment), turning in a false alarm, or engaging in behavior that constitutes a fire hazard.
• Stealing any property.
• Selling, brandishing, or possessing firearms, ammunition, explosives, dangerous chemicals, or any other objects as weapons.
• Defacing property, public or private.

Disruption
Disruption shall be defined as creating noise or other disturbances that disrupt IRA activities or IRA chapter activities or IRA-sponsored or IRA chapter-sponsored events, or that disrupt either participants or non-participants at the venue of an IRA-sponsored or IRA chapter-sponsored event.

Abuse of Controlled Substances
For the purposes of the application of this Code, controlled substances shall be defined as:

• **Intoxicants**: The purchase, possession or consumption of alcoholic beverages is regulated by State law. Members are expected to know and abide by State law and by IRA rules and regulations governing the use of alcoholic beverages at IRA-sponsored or IRA chapter-sponsored events. The following is not permissible:
  o possession or consumption of alcoholic beverages by persons under 21 years at IRA-sponsored or IRA chapter-sponsored events;
  o furnishing alcoholic beverages to any member under the age of 21 years;
  o consuming alcohol at an IRA- or IRA chapter-sponsored event in public areas (i.e. hotel lobbies or hallways); and
  o using IRA or IRA chapter funds for the purchase of alcoholic beverages.

• **Illegal Drugs and Substances**: Members are not permitted to be under the influence of, possess, manufacture, distribute, or sell illicit drugs, as prohibited by State law, at IRA-sponsored or IRA chapter-sponsored or approved events. Reasonable suspicion of possession or use of illegal drugs and substances at IRA-sponsored or IRA chapter-sponsored events may subject the person involved to investigation.

Member Meeting Conduct
The following etiquette shall apply at all IRA chapter-sponsored events:
• Members must maintain decorum, sit quietly, and refrain from speaking until recognized by the meeting chair. During all reports, members should hold all questions until the reports are finished, then raise their hands and wait to be recognized.

• Members must not interrupt anyone who validly has the floor, or otherwise disrupt the meeting.

• When speaking, members must abide by time limits set by the meeting chair for comment.

• Members must refrain from engaging in personal attacks on either Board members or fellow members.

• Members must refrain from using other member’s names when speaking and must address all remarks to the meeting chair.

• Members must confine their comments to things germane to the agenda item being discussed.

• Members may not speak for a second time until everyone else who wants to speak has been given a chance to speak OR Members may not speak more than twice on any one issue, subject to the discretion of the meeting chair.

• Members must obey all orders made by the meeting chair, including an order to step down.

The IRA Board of Directors is authorized to develop and maintain this Code of Conduct on behalf of its members and chapters, and also establish and implement procedures and guidelines for the purpose of determining when violations or failures occur and for allowing the members to participate in a resolution process that is both reasonable and fair to the members.
International Reading Association
Board of Directors
Code of Conduct and Policy

In order to fulfill its mission effectively, the International Reading Association requires the members of its Board of Directors to conduct themselves and perform their duties in good faith, with honesty, integrity, due diligence and competence. Board members agree to abide, in all respects, with this Code of Conduct and all other documents, rules and regulations that govern the Association, including, but not limited to, the Association’s Certificate of Incorporation and Bylaws as well as all applicable federal, state, and local laws and regulations.

Board members must act at all times in the best interests of the Association and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, Board members will comply with the Association’s Conflict of Interest Policy. Although the receipt of incidental personal or third-party benefit may flow from certain activities of the Association, such benefit must be merely incidental to the primary benefit to the Association and its purpose. The Association is exempt from taxation as a charitable organization under Internal Revenue Code Section 501(c)(3). To maintain this exemption, the Association cannot act for the benefit of a particular individual or entity. Such conduct, commonly referred to as “private inurement”, is improper. Sanctions can include personal liability for Board members, senior officers, and the individual receiving the improper benefit. Additionally, the Association could lose its tax-exempt status.

International Reading Association Board of Directors Code of Conduct
Members of the Board (including ex officio members of the Board) shall at all times abide by and conform to the following code of conduct in their capacity as Board members:

1. Each member of the Board of Directors must act at all times with dignity and integrity. No member of the Board of Directors can engage in or facilitate any discriminatory or harassing behavior directed toward other Board members, the Executive Director, Association staff, members, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, or others in the context of activities relating to the Association.

2. Each member of the Board of Directors will abide in all respects by the International Reading Association’s Code of Conduct and all other rules and regulations of the Association (including but not limited to the Association’s Articles of Incorporation and Bylaws) and will ensure that their membership (or the membership of the entity for which they serve as officer, director, employee, or owner, as the case may be) in the Association remains in good standing at all times. Furthermore, each member of
the Board of Directors will at all times obey all applicable federal, state and local laws and regulations and will provide or cause to provide the full cooperation of the Association when requested to do so by those institutions and their persons set in authority as are required to uphold the law.

3. Members of the Board of Directors will conduct the business affairs of the Association in good faith and with honesty, integrity, due diligence, and competence.

4. Except as the Board of Directors may otherwise require or as is otherwise required by law, no Board member shall share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information related to the affairs of the Association, and each member of the Board will uphold the strict confidentiality of all meetings and other deliberations and communications of the Board of Directors.

5. Members of the Board of Directors will exercise proper authority and good judgment in their dealings with Association staff, suppliers, and the general public and will respond to the needs of the Association's members in a responsible, respectful, and professional manner.

6. No member of the Board of Directors will use any information provided by the Association or acquired as a consequence of the Board member's service to the Association in any manner other than in furtherance of his or her Board duties. Further, no member of the Board of Directors will misuse Association property or resources and will at all times keep the Association's property secure and not allow any person not authorized by the Board of Directors to have or use such property.

7. No individual member of the Board of Directors will persuade or attempt to persuade any employee of the Association to leave the employ of the Association or to become employed by any person or entity other than the Association. Furthermore, no individual member of the Board of Directors will persuade or attempt to persuade any member, exhibitor, advertiser, sponsor, subscriber, supplier, contractor, or any other person or entity with an actual or potential relationship to or with the Association to terminate, curtail, or not enter into its relationship to or with the Association, or to in any way reduce the monetary or other benefits to the Association of such relationship.

8. Each member of the Board of Directors must act at all times in the best interests of the Association and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, Board members will identify the conflict and, as required, remove themselves from all discussion and voting on the matter. Specifically, Board members shall not:

- Solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to the Association without fully disclosing such items to the Board of Directors;
• Place (or appear to place) one's own self-interest or any third-party interest above that of the Association.

• Provide goods or services to the Association as a paid vendor to the Association without full disclosure to, and advance approval by, the Board, and pursuant to any related procedures adopted by the Board.

9. The Board of Directors will dedicate itself to leading by example in serving the mission and needs of the Association and its members and also in representing the interests and ideals of literacy at large.
Conflict of interest arises whenever the personal or professional interests of a board member, the executive director, or other management staff are potentially at odds with the best interests of the organization.

Potential conflicts are common. For example, a board member performs professional services for an organization, or proposes that a relative or friend be considered for a staff position. Such transactions are perfectly acceptable if they benefit the organization and if the board made the decisions in an objective and informed manner. Even if they do not meet these standards, such transactions are usually not illegal. They are, however, vulnerable to legal challenges and public misunderstanding.

Loss of public confidence and a damaged reputation are the most likely results of a poorly managed conflict of interest. Because public confidence is important to IRA, the organization should avoid even the appearance of impropriety.

IRA has taken the following steps:

- Conflict of Interest is addressed in Article X of the Bylaws of the International Reading Association.
- Language regarding conflict of interest is included in the Board Members’ Code of Conduct, which limits business transactions with board members, the executive director and management staff and requires a process for disclosure of potential conflicts. The policy requires board members to abstain from decisions that present a potential conflict.
- The organization has a disclosure procedure that a board member, the executive director, or a consultant/volunteer may utilize to disclose any issue that may constitute a potential conflict of interest.
- The organization has a process for deciding whether a potential conflict is, in fact, a conflict.
- IRA has established policies and procedures for programs, competitive bids, and formal hiring practices, which ensure that the organization is acting without any conflicts of interest.
Conflict of Interest Disclosure Overview

Application of Policy
This policy is intended to supplement, but not replace, federal and state laws governing conflicts of interest applicable to nonprofit corporations. It applies to board members, and staff, as well as their relatives and associates and all others outlined in IRA's Bylaws, Article X, Conflict of Interest, and to who are hereinafter referred to as "interested parties."

Definition of Conflict of Interest
A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of IRA and/or an IRA chapter. The variety of situations that raise conflict of interest concerns include, but are not limited to, the following:

Financial Interests - A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by IRA and/or an IRA chapter. Examples include situations where:

- IRA and IRA chapters contract to purchase/lease goods, services, or property from an interested party.
- IRA and/or an IRA chapter offer employment to an interested party, other than a person who is already employed by IRA.
- An interested party uses their relationship with an IRA and/or an IRA chapter client to obtain employment, a contract or other benefit.
- An interested party is provided use of the facilities, property, or services of IRA and/or an IRA chapter in a manner that would not be available to other community members.
- IRA and/or an IRA chapter adopts a policy that specifically creates a financial benefit to an interested party.

A financial interest is not necessarily a conflict of interest. A conflict of interest exists only when the board decides that a person with a financial interest has a conflict of interest.

Other Interests - A conflict also may exist where an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with IRA and/or an IRA chapter. Examples include where:

- An interested party seeks to make use of confidential information obtained from IRA, an IRA chapter, or an IRA client for his/her own benefit (not necessarily financial).
- IRA and/or an IRA chapter adopt a policy that provides a significant nonfinancial benefit to an interested party.

A conflict of interest exists only when the Board of Directors decides there is a conflict.
On-going Responsibility to Disclose Potential Conflicts of Interest

An interested party is under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known.

- Board members and management staff complete a Conflict of Interest Affirmation of Compliance form when they join the board or staff and annually thereafter.

- Any interested party completes the Disclosure of Potential Conflict of Interest Statement to disclose any potential conflicts of interest.

Disclosure Statements and Affirmations of Compliance will be completed annually and filed with the official corporate records of IRA and the IRA chapter. Any disclosures of possible conflict of interest by board members (including officers) will be reviewed by the President. Any disclosures of possible conflict of interest by staff will be reviewed by the supervising director. Any disclosures of possible conflict of interest by the President will be reviewed by the Vice President, the managing director (if one is employed) or in the absence of a managing director, the Treasurer.

Procedures for Review of Potential Conflicts

Whenever there is reason to believe that a potential conflict of interest exists between IRA or an IRA chapter and a board member or staff member, the board will convene a discussion at the next regular board meeting or during a special meeting called to specifically review the potential conflict of interest to discuss the matter and will resume a full meeting of the board to determine the appropriate response. If an Executive Session is called for the purpose of reviewing a potential conflict of interest, the board member involved will be asked to recuse themselves from the discussion. IRA and IRA chapters shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the board.

Whenever there is reason to believe that a potential conflict of interest exists between IRA or an IRA chapter and a staff member or consultant/volunteer, the managing director (if one is employed) shall determine the appropriate response. In the absence of an employed director, the board President shall review the issue and determine appropriate action taken, including whether to bring the matter to the full board for review and possible action.

Procedures for Addressing Conflicts of Interest

The following procedures shall apply:

- An interested party who has a potential conflict of interest with respect to a proposed action, policy or transaction of the corporation shall not participate in any way in, or be present during, the deliberations and decision-making vote of IRA or the IRA chapter. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the board may request that the interested party be available to answer questions.
• The disinterested members of the board may approve the proposed action, policy or transaction upon finding that it is in the best interests of IRA or the IRA chapter. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to IRA and/or the IRA chapter and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a disinterested party.

• Approval by the disinterested members of the board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, or for purposes of determining what constitutes a majority vote of directors in attendance.

• The minutes of the meeting shall reflect that the conflict disclosure was made to the board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes should frame the decision of the board in such a way to provide guidance for consideration of future conflict of interest situations.

**Violations of Conflict of Interest Policy**

If the board or managing director (for staff and consultants/volunteers) has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the board or managing director (for staff and consultant/volunteers) decides that the interested party has in fact failed to disclose a possible conflict of interest, the board shall take such disciplinary and corrective action as the board shall determine.
International Reading Association
Document Retention Policy and Procedures

All short term and long term storage of administrative and financial records are provided in a safe, secure and confidential manner. Depending upon the type of record, the appropriate length of time for retention complies with legal and funder requirements. Records relevant to foreseeable or pending judicial or administrative investigations or proceedings are preserved until the actions are concluded.

Procedures
At least annually, physical documents, records and files are transferred from active files to inactive storage and retention dates are noted on the files. Confidential files are clearly designated as such. Files in storage are placed in a fire resistant, secure, dry place. When files are past retention requirements, documents shall be destroyed in a method that maintains confidentiality (i.e. shredding) and are not disposed of in office trash.

All electronic files are backed up daily. Backups are moved off-site monthly. The retention periods are consistent with those for physical records.

The following table provides the minimum requirements. This information is provided as guidance in establishing your council’s document retention policy.

<table>
<thead>
<tr>
<th>Type of Document</th>
<th>Minimum Requirement</th>
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<tbody>
<tr>
<td>Accounts payable ledgers and schedules</td>
<td>7 years</td>
</tr>
<tr>
<td>Audit reports</td>
<td>Permanently</td>
</tr>
<tr>
<td>Bank Reconciliations</td>
<td>2 years</td>
</tr>
<tr>
<td>Bank statements</td>
<td>3 years</td>
</tr>
<tr>
<td>Checks (for important payments and purchases)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Contracts, mortgages, notes and leases (expired)</td>
<td>7 years</td>
</tr>
<tr>
<td>Contracts (still in effect)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Correspondence (general)</td>
<td>2 years</td>
</tr>
<tr>
<td>Correspondence (legal and important matters)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Correspondence (with customers and vendors)</td>
<td>2 years</td>
</tr>
<tr>
<td>Deeds, mortgages, and bills of sale</td>
<td>Permanently</td>
</tr>
<tr>
<td>Depreciation Schedules</td>
<td>Permanently</td>
</tr>
<tr>
<td>Duplicate deposit slips</td>
<td>2 years</td>
</tr>
<tr>
<td>Employment applications</td>
<td>3 years</td>
</tr>
<tr>
<td>Expense Analyses/expense distribution</td>
<td>7 years</td>
</tr>
<tr>
<td>Item</td>
<td>Retention Period</td>
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<td>----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Year End Financial Statements</td>
<td>Permanently</td>
</tr>
<tr>
<td>Insurance Policies (expired)</td>
<td>3 years</td>
</tr>
<tr>
<td>Insurance records, current accident reports, claims, policies, etc.</td>
<td>Permanently</td>
</tr>
<tr>
<td>Internal audit reports</td>
<td>3 years</td>
</tr>
<tr>
<td>Inventories of products, materials, and supplies</td>
<td>7 years</td>
</tr>
<tr>
<td>Invoices (to customers, from vendors)</td>
<td>7 years</td>
</tr>
<tr>
<td>Minute books, bylaws and charter</td>
<td>Permanently</td>
</tr>
<tr>
<td>Patents and related Papers</td>
<td>Permanently</td>
</tr>
<tr>
<td>Payroll records and summaries</td>
<td>7 years</td>
</tr>
<tr>
<td>Personnel files (terminated employees)</td>
<td>7 years</td>
</tr>
<tr>
<td>Retirement and pension records</td>
<td>Permanently</td>
</tr>
<tr>
<td>Tax returns and worksheets</td>
<td>Permanently</td>
</tr>
<tr>
<td>Timesheets</td>
<td>7 years</td>
</tr>
<tr>
<td>Trademark registrations and copyrights</td>
<td>Permanently</td>
</tr>
<tr>
<td>Withholding tax statements</td>
<td>7 years</td>
</tr>
</tbody>
</table>

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International Reading Association
Whistleblower Policy and Procedures

IRA encourages employees, volunteers and others related to the organization to report any violation of policy, procedure, or ethics; illegal activity; or other misconduct by employees, volunteers, or others related to the organization. No person who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee, board member, or volunteer who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Procedures:
Reports can be made directly to the Executive Director, board President or Vice President. To the extent that the activity or misconduct involves the executive director the report should be made directly to the board President or Vice President.

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

The recipient of a complaint will notify the sender and acknowledge receipt of the reported violation or misconduct within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.
Non-profit charitable, religious, and educational organizations obtain their tax-exempt status under the theory that they perform valuable services for society and lessen the burdens of government. If a tax-exempt organization allows its money or other property to be used for private rather than public gain (i.e., for "private inurement" or "private benefit"), then it risks losing its exemption. In addition, under recently adopted "intermediate sanctions" provisions of the Internal Revenue Code, "disqualified persons" such as CEOs, CFOs, board members, major donors doing work for the exempt organization, etc., who receive "excess benefits" are subject to an excise tax ranging from 25% to 200%, depending on the circumstances. Furthermore, any organizational manager who knowingly facilitates such an excess benefit is subject to a 10% tax.

**What is Private Inurement or Private Benefit?**

"Private inurement" is the payment or diversion of an exempt organization's assets to its officers, directors, employees, relatives, friends, major donors, or others in a special relationship to the organization who can influence or control the policy or the day-to-day activities of the organization for less than full and adequate consideration. Private inurement also extends to the use of organizational assets for "private benefits" such as sales, leasing, construction contracts, service transactions, etc., at other than fair market value or the exploitation of the exempt organization for the benefit of a private business (e.g., "sweetheart deals," promotional schemes, and/or giveaways to private individuals or businesses).

**Policy**

The purpose of this private inurement policy is to ensure that IRA is fulfilling its responsibilities to act as a competent and trustworthy steward of its resources and is behaving in a way that is consistent with the following IRS requirement:

*A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests. No part of the net earnings of a section 501(c) (3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.*

To avoid the conferment of material private inurement or benefits in the types of transactions described above, the organization will enter into transactions solely to benefit the charitable purposes of the organization, rather than for a private party's benefit. The organization will exercise due diligence to ensure that any proposed transaction is fair and reasonable. This
means that the organization could not have obtained a more advantageous arrangement with reasonable effort.
The organization will ensure that the intent of this policy is carried out by:

- Screening proposed transactions through the applicable boards, advisory boards, and committees, and other processes set out in the organization’s procedures
- Taking care that organizational policies and procedures pertaining to the signing of contracts are followed. (For example, the board may require contracts in excess of a certain amount or duration to be executed by the board rather than the executive director.)
- Putting in place additional procedures that may apply in connection with contract bids for building construction, renovation and repair projects.
Board Member Commitment Form

Board duties
I will:
- Attend at least 75% of all Board meetings by phone or in person
- Review the agenda and supporting materials prior to Board and committee meetings.
- Serve on committees and take on special assignments as needed.
- Personally contribute to the International Reading Association (IRA)
- Remain informed about IRA’s mission, services, and policies and promote IRA, as agreed annually by the Board.
- Provide support and advice to the staff but avoid interfering in management activities.
- Suggest nominees and participate in board recruitment.
- Support the organization by representing the organization in the community and with funders.

Board member Code of Conduct
As a board member I understand that I have duties of care, loyalty, and obedience to the organization.
- The duty of care is the duty to pay attention to the organization—to monitor its activities, see that its mission is being accomplished, and guard its financial resources.
- The duty of loyalty is the duty to avoid conflicts of interest, and
- The duty of obedience is to carry out the purposes of the organization and to comply with the law.

As a board member I agree to:
- Act with honesty and integrity
- Support in a positive manner all actions taken by the board of directors even when I am in a minority position on such actions. I recognize that decisions of the board can be made only by a majority vote at a board meeting and respect the majority decisions of the board, while retaining the right to seek changes through ethical and constructive channels;
- Participate in (1) the annual strategic planning retreat, (2) board self-evaluation programs, and (3) board development workshops, seminars, and other educational events that enhance my skills as a board member.
- Keep confidential information confidential.
- Exercise my authority as a board member only when acting in a meeting with the full board or when appointed by the board.
• Work with and respect the opinions of my peers who serve this board, and leave my personal prejudices out of all board discussions.

• Always act for the good of the organization and represent the interests of all people served by the organization.

• Represent this organization in a positive and supportive manner at all times.

• Observe the parliamentary procedures and display courteous conduct in all board and committee meetings.

• Refrain from intruding on administrative issues that are the responsibility of management, except to monitor the results of the organization.

• Accept my responsibility for providing oversight of the financial condition of the organization.

• Avoid acting in a way that represents a conflict of interest between my position as a board member and my personal or professional life, even if those actions appear to provide a benefit for the organization. This includes using my position for the advantage of my friends and business associates. If such a conflict does arise, I will declare that conflict before the board and refrain from voting on matters in which I have conflict.

• Abide by these board operating procedures.

___________________________________________

Signature

___________________________________________

Date
The intent of the annual Board Self-Assessment is to determine how satisfied board members are with board processes and how individual members and the board as a whole can be most effective in supporting the organization.

A board assessment process helps board members:

- Reflect on their experience as a board member
- Explore how comfortable, enjoyable, and meaningful participation on the board is to the board member.
- Understand individual expectations for preparation time, how the meetings are run, and how decisions are made.
- Identify different perceptions and opinions among board members about the board’s role.
- Identify and remove obstacles to increased board effectiveness.

Board Self-Assessment

Mark with an “x” the column that best represents your agreement or disagreement with the statement.

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Not sure or can’t rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I feel the meetings focus on important organizational matters.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2.</td>
<td>I am clear about my responsibilities as a member of the board</td>
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<td>3.</td>
<td>Materials related to significant decisions are given to the board far enough in advance of the meeting.</td>
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<td>4.</td>
<td>The amount of material I need to read prior to the meetings is reasonable.</td>
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<td>5.</td>
<td>It is clear to me how urgent matters are handled between meetings.</td>
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<td>6.</td>
<td>I feel I have a clear understanding of the mission and activities of the organization.</td>
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<tr>
<td>7.</td>
<td>When I was new to the board, I was given sufficient information to allow me to make a contribution to the organization quickly.</td>
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<tr>
<td></td>
<td>Description</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Strongly disagree</td>
<td>Disagree</td>
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<tr>
<td>8.</td>
<td>I receive financial information that is understandable and gives me a clear sense of the organization's financial position.</td>
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<tr>
<td>9.</td>
<td>I receive information about the organization’s services that allows me to understand the impact the organization is having.</td>
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<tr>
<td>10.</td>
<td>I feel that I have the information I need to effectively represent the organization to the community and to ask for financial support.</td>
<td></td>
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<tr>
<td>11.</td>
<td>There is good follow-up on tasks delegated to me or other board members.</td>
<td></td>
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<td>12.</td>
<td>I feel that other members listen to my opinions.</td>
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<td>13.</td>
<td>I feel I can comfortably say when I disagree with another member or with staff.</td>
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<td>14.</td>
<td>The board gives honest feedback to the executive director.</td>
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<td>15.</td>
<td>It is clear to me how the board will be involved in important decisions.</td>
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<tr>
<td>16.</td>
<td>Board members understand that they do not have authority to act on behalf of the board or the organization unless specified in the bylaws or through a board decision.</td>
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<td>17.</td>
<td>The board has a clear process for making important decisions.</td>
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<tr>
<td>18.</td>
<td>The board sets resource development goals and actively supports fundraising and resource development efforts.</td>
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<td>19.</td>
<td>The board sets clear goals that are realistic and relevant to the strategic plan.</td>
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<tr>
<td>20.</td>
<td>If a friend or valued professional contact was a good match for the board's needs, I am willing to recruit them.</td>
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<tr>
<td>21.</td>
<td>The board has the needed skills, diversity, and representation of stakeholders. If you disagree, please describe what skills or characteristics are missing below.</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
24. How satisfied are you with the work of the board overall (circle your answer)

VERY SATISFIED  SATISFIED  NOT SATISFIED

Please list the three areas where you would like to see the board improve its performance in the next year. Be as specific as possible.

1.

2.

3.

Please list the three areas where you would like to see the board focus its attention in the next year. Be as specific as possible.

1.

2.

3.

Overall Comments:
INTERNATIONAL READING ASSOCIATION
BOARD OF DIRECTORS MEETING
May 8, 2014
NEW ORLEANS, LOUISIANA

Agenda

1. Call to Order/Introductions (1 min.)

2. Consent Items – Action required (3 min.)
   (Note – items marked as “Information/discussion” or “action required”; note time
   a. Minutes of February 14, 2014 Board of Directors Meeting
   b. Confirmation of date, time, and location of next Board Meeting for October 24, 2014
   c. Board Members, Committee, Task Force, and Officer’s Reports
   (Note – the above are the bundled consent items, voted at one time by resolution below.)

   RESOLUTION: The Board of Directors of the International Reading Association approves the consent items
   as submitted.

3. Resolution Committee revision recommendations and next action – Information/discussion (14 min.)

4. Finance and Business Report
   a. IRA Financial Statement – Information/discussion (7 min.)
   b. Review, discussion and approval of Finance Committee recommendations, including FY 2014-2015 Budget – Action required (10 min.)

   Resolution: The Board of Directors of the International Reading Association approves FY 2014-15
   Association Budget as presented by the Finance Committee.

5. Partnership with libraries – Strategic discussion – (20 min.)

6. New Business (5 min.)

(Note that the entire agenda/meeting takes 1 hour. Timed items are intended to keep the board on time, so
estimate time to discuss items and note on each agenda item.)

NEXT MEETING:
9:00 A.M. (EDT), October, 25, 2015
International Reading Association
800 Barksdale Rd., Newark, DE 19714
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
ABC LITERACY COUNCIL

April 25, 2014
5:00 P.M. to 6:30 P.M.

The meeting of the Board of Directors of ABC Literacy Council was held at 123 Main St., Anywhere, New York on Friday, April 25, 2014 at 5:00 P.M. EDT.

Present at the meeting were:

- Snow White
- Doc Lavender
- Dopey Green
- Sneezy Red
- Grumpy Black
- Bashful Blue
- Sleepy Purple

All of the Directors of ABC, except for Happy Pink, were present. Also present were Cinderella, State Coordinator of ABC, Mickey Mouse, Business Manager of ABC, and Donald Duck, Director of Membership Development.

(NOTE: all attendees, absentees and invitees are accounted for in the minutes)

All board members had received the consent agenda by email, including the minutes of the January 25, 2014 meeting, which was moved and seconded as noted:

RESOLVED, the consent agenda items are approved.

(NOTE: all voted items appear in the minutes as above.)

The Chair requested updates from the Committee Task Force Chair regarding their progress on Committee organization. It was decided that once the Committees had been reviewed and unnecessary committees eliminated, each remaining Committee would make its report, including recommendation for adopting the charters and that all charters would be adopted by resolution at one time.

(NOTE: this last notation was a decision made that didn’t really need a vote – the board can decide simple items without a resolution and vote, but those items should not ever be items of major weight or importance, nor any item that requires an allocation of funds.)

Audit Committee
The Audit Committee Chair made a brief report that bids from auditors be solicited for the 14-15 audit year. The next Audit Committee meeting is scheduled for June 16th with the auditors (XYZ & Co.) and the agenda will include will review the scope of and process for this year’s audit.
**Governance Committee**

The Governance Committee Chair opened the report by recommending that the board adopt the Governance Committee Charter. The Chair noted that the role of the committee is three-fold: identifying and recommending qualified candidates for the board, new board member orientation, on-going board training and development, and periodic review of the by-laws.

The Committee noted that all board members serve annual terms and recommended that all Directors be renewed. The recommendation was moved, seconded and is approved as follows:

RESOLVED, the following are hereby elected to serve a term of one year as Director on the Board of ABC Reading Council:

- Snow White
- Sneezy Red
- Sleepy Purple
- Doc Lavender
- Grumpy Black
- Bashful Blue
- Dopey Green
- Happy Pink

The Committee then presented the slate of officers for renewal of one annual term. The recommendation was moved, seconded and is approved as follows:

RESOLVED, the following are hereby elected to serve as officers of the ABC Reading Council Board of Directors for a term of one year:

- Snow White, Chair
- Sneezy Red, Vice Chair
- Dopey Green, Secretary
- Grumpy Black, Treasurer

**Financial Report**

The Treasurer reviewed the financial statement, including current assets and liabilities, and also reviewed budget to actuals. The projection through June 30th is that finances are $56,213 ahead of the plan overall, although the revenues from membership are down by $4,350.00. The Conference closed out with $8,439.00 in net profit.

The next meeting is scheduled for 9:00 A.M., June 13, 2014 at 123 Main St., Anywhere, New York.

There being no further business, the meeting was adjourned at 11:45 A.M.

________________________________  ________________
Dopey Green, Secretary                  Date
Questions to Promote Good Governance

Questions for Promoting Board Dialogue

- Who sees the situation differently?
- What are we missing?
- What problems might the proposed solution create?
- What is the best possible outcome?
- What is the worst-case scenario?
- What is the next question we should address?

Questions to Vet an Idea or Proposal

- What is the vision for this program, project? (Fit to mission/purpose)
- Who will the program serve? (Stakeholders)
- Who else is offering services like this program? (Competitors)
- What data do we have that supports that we need this?
- What will it cost? Have we money in the current budget or is this additional cost outside of the budget?

Finance Questions

- Is our financial plan consistent with our strategic plan?
- Do we have sufficient resources? Has the board adopted a formal policy regarding reserves?
- Have we run a gain or a loss – both overall and by activity? Compared to a year ago, are we better or worse off financially?
- Are our key sources of income rising or falling? If they are falling, what are we doing about it?
- Are our key expenses under control?
- Do we regularly compare our financial activity with what we have budgeted? How do we make sure that the differences between budgeted and actual amounts are appropriately addressed?
- Does the board provide oversight of contractual agreements to ensure that the organization’s exempt status will not be questioned or impaired?
- Is the organization acting in accordance with the IRS rules?
- Do we annually review the 990? Does it accurately represent our organization?
- Do we file, on a timely basis, all the reporting documents required by law and by IRA?
- Do we have a policy prohibiting conflicts of interest, and do we periodically monitor compliance with the policy?
- Do most board members feel that they can at least reasonably understand the financial statements? If not, how can we improve our board’s comprehension?
- Does our annual audit have a clean opinion? If not, why not? What have we done to address the issues raised by the auditor?

Finance Questions continued

- Have we thoroughly reviewed our operation to make sure we are appropriately insured?
- Do we have directors’ and officers’ liability insurance?