



American Society of Appraisers

Governance Policy Manual

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American Society of Appraisers Governance Policy Manual

This Governance Policy Manual supplements the Constitution, Bylaws and the Administrative Rules/Board Procedures Manual (AR/BPM) of the American Society of Appraisers (“Society”) and shall serve as an explanation and implementation of policies for the Board of Governors.

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1 Global (Broadest) Ends Statement - RESOURCES & SUPPORT

The Society exists so that members have the resources and support they need for a successful and rewarding career in the appraisal profession and the assurance that the integrity and independence of Society members' ("members")¹ appraisal processes are preserved and protected so that they realize an exceptional value for their investment in dues and volunteer efforts, with results optimizing return on available resources.

1.1 Members Access to Tools and Resources

Members will have access to the tools and resources necessary to achieve the highest level of professionalism.

- 1.1.1 EDUCATION & STANDARDS: Members will have access to high quality, effective, timely and relevant resources/offerings related to education and professional standards, including the following:
 - a. COURSE DEVELOPMENT RESOURCES
 - b. INSTRUCTIONAL RESOURCES & TRAINING
- 1.1.2 RESOURCES: Members will have access to the resources to demonstrate professional competence and to provide exceptional valuation services regarding the following:
 - a. STANDARDS
 - b. CREDENTIALING & REACCREDITATION: ASA credentialing is fair, objective, valid, defensible, and sustainable
 - c. MEMBERSHIP

1.2 Members Benefits from Public's Recognition

Members will benefit from the public's recognition of the Society as a premier valuation professional organization in the following areas:

- 1.2.1 BRAND
- 1.2.2 CREDENTIALS: ASA credentialing is fair, objective, valid, defensible, and sustainable
- 1.2.3 STANDARDS

¹ Society members as used herein are Candidates, Accredited Members (AMs), Accredited Senior Appraisers (ASAs), Fellow (FASAs) and Allies recognized and supported by the Society.

1.3 Members Benefit by Values Practiced

Members will benefit from values implemented and practiced by the Society throughout its activities, efforts and educational endeavors.

1.3.1 PROFESSIONALISM

1.3.2 CODE OF CONDUCT

1.4 Members Engagement Opportunities

Members will gain value, skills, and perspective through engagement with appraisers of other appraisal disciplines and other appraisers across the globe through chapters and the Society's international activities including:

1.4.1 NETWORKING

2 Global Executive Constraint

The Chief Executive Officer ("CEO") will not cause or allow any practice, activity, decision or organizational circumstance, which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics, practices and professional standards.

2.1 Chief Executive Officer (CEO)

2.1.1 The CEO shall:

- a. Be the CEO of the Society reporting to the Board of Governors;
- b. Be responsible for the day-to-day business operations of the Society, including but not limited to, reviewing and approving all contracts, agreements and such similar types of documents; and
- c. Perform such duties customary to the position as directed by the Board of Governors and the International President.

2.2 Treatment of Members, Potential Members and the General Public

With respect to interactions with members, potential members and/or the general public, the CEO will not cause or allow conditions, procedures or decisions which are unsecure, undignified or unnecessarily intrusive.

Therefore, the CEO will not:

- 2.2.1 Use application forms or otherwise elicit information for which there is no clear necessity;
- 2.2.2 Use methods of collecting, reviewing, transmitting, or storing confidential or privileged information that fail to protect against improper access to the material;

- 2.2.3 Provide headquarters facilities that do not provide for appropriate accessibility and security for staff and members;
- 2.2.4 Present unclear or misleading information, nor cause members or potential members to be misled about what will be expected and what will not be expected from any service offered by the organization;
- 2.2.5 Withhold from members and potential members information regarding their protections under this policy or discourage persons who believe they have not been accorded a reasonable interpretation of their protections under this policy from airing a complaint and being heard; or
- 2.2.6 Allow any member, potential member, or general public inquiries to go without a response in a timely manner.
- 2.2.7 Cause or allow any inequity or imbalance between disciplines or between other membership categories in the type or level of information, assistance, and services provided; or
- 2.2.8 Allow member leadership to be uninformed regarding significant operational changes. More specifically, the CEO will not:
 - a. Fail to use effective methods of communicating with discipline committees or chapter boards;
 - b. Use methods that do not effectively provide information and updates necessary for the success of discipline committees or chapter boards; or
 - c. Operate without sufficient feedback or guidance from member leadership as subject-matter experts on relevant operational matters and discipline education.

2.3 Treatment of Staff (Paid and Volunteer)

With respect to the treatment of paid, contracted and volunteer staff, the CEO will not cause or allow conditions to be unaddressed which are biased or undignified

Therefore, the CEO will not:

- 2.3.1 Operate without written personnel rules and policies that:
 - a. Clarify rules for staff;
 - b. Provide for effective handling of grievances; or
 - c. Protect against wrongful conditions, such as nepotism or grossly preferential treatment for personal reasons.
- 2.3.2 Retaliate against any staff member for non-disruptive expression of dissent. More specifically, the CEO will not:
 - a. Retaliate against any staff member reporting to management, or to the Board of Governors, acts or omissions by staff, management, or Board of Governors;

- b. Retaliate against any staff member reporting to management or the Board of Governors if the staff member believes a violation of state law, federal law or a governing policy of the Board of Governors has occurred;
- c. Cause or allow the reported harassment of any type between staff (paid or volunteer) to go unaddressed;
- d. Fail to use reasonable and appropriate diligence in the preparation for foreseeable emergency situations; or
- e. Allow staff to be uninformed or unaware of their protections under this policy as interpreted by the CEO.

2.4 Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants and contracted workers and volunteers, the CEO will not cause or allow harm to fiscal integrity or the public image of the Society.

Therefore, the CEO will not:

- 2.4.1 Change their own compensation;
- 2.4.2 Change their own benefits, except as their benefits are consistent with a package for all other employees;
- 2.4.3 Promise or imply permanent or guaranteed employment;
- 2.4.4 Establish current compensation or benefits which deviate materially from the geographic or professional market for the skills employed;
- 2.4.5 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year;
- 2.4.6 Establish or change benefits that will:
 - a. Incur unfunded liabilities;
 - b. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited;
 - c. Allow any employee to lose benefits already accrued from any foregoing plan; or
 - d. Treat themselves differently than other key employees unless it has been formally offered by the Board of Governors.

2.5 Financial Planning and Budgeting

Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from Board of Governors' ends policies or risk fiscal jeopardy or fail to be derived from a multi-year analysis.

Furthermore, the CEO will not allow budgeting or financial planning that:

- 2.5.1 Risks situations or conditions described as unacceptable in the Board of Governors' Financial Condition and Activities Policy;

- 2.5.2 Is not derived from a formal process for planning for the future of the organization:
 - a. Planning will not be developed with an unreasonably short or long term; and
 - b. Planning that is not based on a theory of success over time is not acceptable.
 - c. Planning will not be developed without substantiation and reasonable documentation how expenses/revenues were determined.
- 2.5.3 Does not produce an annual budget in which revenues are sufficient to satisfy the projected expenses of the organization;
- 2.5.4 Allows for expenditures that cannot be covered by income prior to the end of the fiscal year;
- 2.5.5 Allows operating cash reserves to decline beyond three (3) months of expected expenses;
- 2.5.6 Allows working capital to be negative;
- 2.5.7 Does not include an appropriate mechanism for a cash buffer/reserve to address potential unforeseen costs or unforeseen deficits in budgeted income;
- 2.5.8 Excludes credible and realistic projections of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions;
- 2.5.9 Provides less for Board of Governors prerogatives during the year than is set forth in the Cost of Governance Policy; or
- 2.5.10 Is not updated for changes of circumstances at, and in effect as of, the beginning of the fiscal year.

2.6 Financial Condition and Activities

With respect to the actual, ongoing financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board of Governors' priorities established in ends policies.

Furthermore, the CEO will not:

- 2.6.1 Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met;
- 2.6.2 Obligate the Society to an amount greater than can be repaid by certain, otherwise unencumbered revenues within sixty (60) days;
- 2.6.3 Manage or use any long-term reserve funds;
- 2.6.4 Manage or use any short-term reserve funds;
- 2.6.5 Jeopardize the safety or purpose of the operating reserves;
- 2.6.6 Allow the operating cash coverage ratio to drop below 3.0 or the working capital to be below zero;
- 2.6.7 Exceed an appropriate probability of replenishing assets in the event of losses;

- 2.6.8 Invest in illiquid assets;
- 2.6.9 Conduct inter-fund shifting between discrete accounts in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues, within thirty (30) days;
- 2.6.10 Allow payroll obligations to be unsettled or satisfied in an untimely fashion;
- 2.6.11 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed;
- 2.6.12 Make a single new purchase or new commitment of greater than 2.0% of the budgeted annual revenue unless it has a payback period of three (3) years or less;
- 2.6.13 Make a single recurring purchase or recurring commitment of greater than 2.5% of the budgeted annual revenue unless it has a payback period of three (3) years or less;
- 2.6.14 Enter into a long-term lease for office rental space;
- 2.6.15 Approve any recurring purchase or recurring commitment that results in an increase of more than 20% over the previous commitment;
- 2.6.16 Make any purchase or commitment to purchase in excess of \$25,000 without an appropriate financial justification in the form of a return on investment and/or analysis of an acceptable payback period;
- 2.6.17 Acquire, encumber or dispose of real property;
- 2.6.18 Allow receivables to be uncollected for an unreasonable period without aggressively pursuing their collection; or
- 2.6.19 Split orders or initiate other transactions or schemes to circumvent the limitations as set forth herein.

2.7 Asset Protection

The CEO will not allow Society assets to be unprotected, inadequately maintained or unnecessarily risked.

Furthermore, the CEO will not:

- 2.7.1 Allow any assets to be uninsured at an appropriate level;
- 2.7.2 Allow unauthorized personnel access to material amounts of funds;
- 2.7.3 Allow any Society funds to be at an unacceptable level of risk;
- 2.7.4 Subject any assets to improper wear and tear or insufficient maintenance;
- 2.7.5 Unnecessarily expose the organization, its Board of Governors, staff or volunteers to claims of liability;
- 2.7.6 Make any commitment or purchase:
 - a. Wherein reasonable and prudent protections have not been taken to prevent real and perceived conflicts of interest;
 - b. Of over \$5,000 without having obtained comparative prices and quality; or

- c. Of over \$10,000 without a stringent method of assuring the balance of long-term quality and cost;
- 2.7.7 Allow intellectual property, information and files to be inadequately protected from piracy, loss, compromise, theft or significant damage;
- 2.7.8 Receive, process or disburse funds under controls which are insufficient to meet the Society's policies or the Board of Governors' external auditor's standards;
- 2.7.9 Invest or hold operating reserves in:
 - a. Unsecure instruments of any kind;
 - b. In any fund with a maturity of greater than one year;
 - c. Institutions that are not U.S. federally insured banks or saving and loan associations;
 - d. Checking accounts, savings account, or certificates of deposits which are not U.S. federally insured;
 - e. Any one financial institution in an amount that exceeds the federal insurance limit;
 - f. Money market funds that do not comply with SEC Rule 2(a) 7; or
 - g. Non-interest-bearing accounts, except where necessary to facilitate ease in operational transactions.
- 2.7.10 Diminish the Society's brand, public image or credibility, whether in business or personal situations, particularly in ways that would hinder its ability to meet its ends;
- 2.7.11 Allow members to be uniformed, unsupported or unaware of the expectations for their knowledge, actions and behaviors that will support public image and credibility;
- 2.7.12 Allow the reputation and value of the Society's designations to be jeopardized or diminished;
- 2.7.13 Take any actions which would minimize member credibility or acceptance of members' designations;
- 2.7.14 Compromise the independence of the Board of Governors' audit or other external monitoring or advice;
- 2.7.15 Contract with parties already contracted by the Board of Governors;
- 2.7.16 Change the Society's name or substantially alter its identity within the profession;
- 2.7.17 Use or allow the Society's logo or trademark, or any other Society brand-identifying intangible asset(s) to be used in a manner inconsistent with Society policies for such use;
- 2.7.18 Create or purchase any subsidiary corporation, merge with any organization, or allow an acquisition of or by the Society; or
- 2.7.19 Enter into any long-term agreements, joint ventures or alliances with other organizations or entities.

2.8 Ends Focus of Grants or Contracts

The CEO will not enter into any contract, unless it is consistent with and in pursuit of the Society's ends and is in compliance with the executive limitations.

Furthermore, the CEO will not:

- 2.8.1 Allow or condone methods and activities of grants or contracts that would allow funds to be used in imprudent, unlawful or unethical ways; or
- 2.8.2 Enter any contract without considering the contracted party's ability to produce appropriately targeted, efficient results.

2.9 Conflict of Interest

The CEO will not engage in or allow any practices which result in a conflict of interest detrimental to the interests of the Society.

Furthermore, the CEO will not conduct Society business:

- 2.9.1 With any organization or individual in which any staff member with purchasing authority has a direct business interest;
- 2.9.2 With any organization with which, or individual with whom, any staff member with purchasing authority has a substantial monetary or other beneficiary interest except for those affiliations which arise as a representative of the Society;
- 2.9.3 With or without a formal contract, in which any staff member with purchasing authority stands to receive a direct personal benefit in the manner of a gift, promotional award, personal payment, or similar offering;
- 2.9.4 With any organization or individual who is likely to tarnish the Society's brand; or
- 2.9.5 For self-enrichment.

2.10 Emergency CEO Succession

In order to protect the Society from an unexpected or sudden loss of CEO services, the CEO shall maintain a written CEO Succession Plan, adopted by the Board of Governors and reviewed annually. The plan shall address both emergency and planned succession scenarios and shall be consistent with the Board's sole authority over CEO employment.

Furthermore, the CEO will not allow:

- 2.10.1 The Board of Governors to be without a current, Board-adopted CEO Succession Plan at any time;
- 2.10.2 The Board of Governors to be uninformed of the CEO's current recommendation regarding the preferred approach to interim CEO coverage - whether through internal staff leadership, engagement of an external interim executive, or another arrangement - along with the CEO's rationale for that recommendation given current organizational circumstances;

- 2.10.3 Potential interim successors, of whatever type, to be led to believe they will be selected as the permanent CEO;
- 2.10.4 The Board of Governors to be unaware of the identity of potential interim successors at any time;
- 2.10.5 Potential interim successors to be unaware of the importance of the Society's sponsorship or membership of any standard-setting body of which the Society is a sponsor or supporting member; or
- 2.10.6 Potential interim successors to be unaware of the importance of the Society's and its members' reputations.

2.11 Communication and Support to the Board of Governors

The CEO will not permit the Board of Governors to be uninformed or unsupported in its work.

Further, and without limitation, the CEO will not:

- 2.11.1 Neglect to submit monitoring data required by the Board of Governors (see policy on monitoring CEO performance) in a timely, accurate and understandable fashion, directly addressing provisions of Board of Governors policies being monitored and including CEO interpretations consistent with delegation to the CEO, as well as relevant data. (See Board of Governors—Management Delegation: Monitoring CEO Performance);
- 2.11.2 Let the Board of Governors be unaware of actual or anticipated non-compliance with any policy as soon as it is discovered;
- 2.11.3 Let the Board of Governors be unaware of potential noncompliance with its own policies on governance process and Board of Governors management delegation, as soon as it is identified, particularly in the case of Board of Governors, or members thereof behavior which is detrimental to the work relationship between the Board of Governors and the CEO;
- 2.11.4 Let the Board of Governors be unaware of relevant trends, anticipated adverse media coverage, threatened or pending lawsuits (unless otherwise advised by the Society's legal counsel), or material external and internal changes, particularly changes in the assumptions upon which any Board of Governors policy was previously established;
- 2.11.5 Let the Board of Governors be unaware of any potential legislation which will be detrimental to the Society's members or to the valuation profession including analyses of the impact such legislation;
- 2.11.6 Deny the Board of Governors access to, or be uninformed by, a range of relevant perspectives, including staff and external viewpoints, as needed for fully informed Board of Governors choices;
- 2.11.7 Present information in unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other;

- 2.11.8 Cause the Board of Governors to operate without appropriate tools, channels, or support for official Board of Governors, officer or committee communications;
- 2.11.9 Deal with the Board of Governors in a way that favors or privileges certain members of the Board of Governors over others except when fulfilling individual requests for information or responding to committees duly charged by the Board of Governors or when required by the Society's governing documents;
- 2.11.10 Allow the Board of Governors to be noncompliant with legal or contractual requirements regarding delegated activities of the Society;
- 2.11.11 Present items as part of the consent agenda without providing relevant and complete monitoring information;
- 2.11.12 Allow the Board of Governors to be uninformed regarding the status of the current budget and most recent strategic plan; or
- 2.11.13 Allow the Board of Governors to be without the assistance of sufficient financial expertise to inform and support the Investment Committee, to be no more than 40 hours of staff time.

3 Global Governance Commitment

The purpose of the Board of Governors, on behalf of the Society's members, is to ensure that the Society: (a) achieves appropriate results for appropriate persons at an appropriate cost; and (b) avoids unacceptable actions and situations.

3.1 Governing Style

The Board of Governors will govern lawfully with an emphasis on: (a) outward vision rather than an internal preoccupation; (b) encouraging diverse viewpoints; (c) strategic leadership rather than administrative detail; (d) clear distinction between Board of Governors and CEO roles; (e) collective rather than individual decisions; (f) the future rather than the past or present; (g) inclusivity rather than exclusivity; and (h) proactivity rather than reactivity.

Accordingly:

- 3.1.1 On any issue, the Board of Governors must ensure that differing views expressed are considered in making decisions, yet when the Board of Governors reaches a decision, it becomes the Board of Governors' single organizational position;
- 3.1.2 The Board of Governors will cultivate a sense of group responsibility. The Board of Governors will be responsible to ensure competence in governing. The Board of Governors will be the initiator of policy, not merely a reactor to others' initiatives. The Board of Governors will not use the expertise of individual Board of Governors members ("board members") to substitute for the judgment of the Board of Governors, although the expertise of individual

board members will be used to enhance the understanding of the Board of Governors as a body;

- 3.1.3 The Board of Governors will direct, control and inspire the Society through the establishment of broad written policies reflecting the Society's values and perspectives. The Board of Governors' major policy focus will be on the intended long-term impacts on the Society rather than on the staff organization or on the administrative or programmatic means of attaining those effects;
- 3.1.4 The Board of Governors will implement and enforce whatever disciplinary rules are needed to govern with competence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of competent governance. Although the Board of Governors may change its governance process policies at any time, it will observe them scrupulously while in force;
- 3.1.5 Annual and continual Board of Governors development will include orientation of new and existing board members, discipline Chairs, and international committee Chairs on the Policy Governance model and governance process. Annual education sessions will be held focusing on process improvement within the Governance Policy Manual. These sessions will cover the review of current policies, an explanation of policy change procedures, and the identification of prioritized policies for the upcoming year.
- 3.1.6 The Board of Governors will ensure that each board member, officer, individual or Board of Governors committee is oriented to their role and aware of their obligations;
- 3.1.7 The Board of Governors will allow no board member, officer, individual or Board of Governors committee to hinder or be an excuse for not fulfilling its commitments; and
- 3.1.8 The Board of Governors will monitor and discuss the Board of Governors' process and performance at least annually. Self-monitoring will include comparison of Board of Governors' activity and discipline to policies in the Governance Process and Board of Governors-CEO Linkage categories, according to the following "Board of Governors Assessment (Monitoring) Schedule".

Fig. #1: Board of Governors Assessment (Monitoring) Schedule

Board of Governors Assessment (Monitoring) Schedule				
Section	Governance Process	Monitoring	Frequency	Month
3.0	Global Governance Commitment	Direct Inspection	Annual	July
3.1	Governing Style	Direct Inspection	Annual	July
3.2	Board of Governors' Job Description	Direct Inspection	Annual	October
3.3	Board of Governors Member Code of Conduct	Direct Inspection	Annual	February
3.4	Agenda Planning	Direct Inspection	Annual	June
3.5	International President's Role	Direct Inspection	Annual	March
3.6	International Vice President's Role	Direct Inspection	Annual	March
3.7	International Secretary/Treasurer's Role	Direct Inspection	Annual	April
3.8	International Immediate Past President's Role	Direct Inspection	Annual	April
3.9	Board of Governors' Committee Principles	Direct Inspection	Annual	January
3.10	Standing Committee Structure	Direct Inspection	Annual	May
3.11	Committees other than Standing Committees	Direct Inspection	Annual	May
3.12	Cost of Governance	Direct Inspection	Annual	January
4.0	Global Governance-Management Delegation	Direct Inspection	Annual	August
4.1	Unity of Control	Direct Inspection	Annual	August
4.2	Accountability of the CEO	Direct Inspection	Annual	September
4.3	Delegation to the CEO	Direct Inspection	Annual	October
4.4	Monitoring CEO Performance	Direct Inspection	Annual	September
4.5	CEO Compensation & Benefits	Direct Inspection	Annual	May
Notes: <i>Months with no assessments: December, November</i> <i>Month with one assessment: June</i> <i>Two assessments each: all other months</i>				

3.2 Board of Governors' Job Description

Specific functional outputs of the Board of Governors, as an informed agent of Society members, are those that ensure effective organizational performance.

Accordingly:

- 3.2.1 The Board of Governors has direct responsibility to create:
 - a. The link between the board members and the operational organization;
 - b. Written governing policies that address the broadest levels of all organizational decisions and situations:
 - i. *Ends*: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost);

- ii. *Executive Constraints*: Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place;
- iii. *Governance Process*: How the Board of Governors conceives, carries out, and monitors its own governance activities; and
- iv. *Board of Governors-CEO Linkage*: How power is delegated, and its proper use monitored; the CEO role, authority and accountability.
- c. Assurance of successful CEO performance (for more information, see Board of Governors-Management Delegation);
- d. Oversight and management of the Society's Long-Term Reserve Account and Short-Term Reserve Account; and
- e. The purpose, management and decisions concerning board member discipline.

3.2.2 Members of the Board of Governors must:

- a. Swear the oath of office as a Governor to serve the Society faithfully, responsibly and professionally;
- b. Maintain the highest business and ethical standards and lawful conduct in line with the "Principles of Appraisal Practice and Code of Ethics" of the ASA.
- c. Maintain their membership in good standing within the Society's membership guidelines;
- d. Conduct themselves and their practices in accordance with the Society's professional standards;
- e. Maintain their knowledge of professional competency for both professional practice and property within their own discipline;
- f. Follow the Code of Conduct and Accountability (GPM 3.3);
- g. Actively create and participate in linkage events and activities with ASA membership. Board members act in trusteeship for the membership and serve as the legitimizing connection between the membership and the organization;
- h. Become familiar with all Society governing documents;
- i. Review and comply with the ASA "Governance Policy Manual";
- j. Review and comply with the Modern Rules of Order for all meetings of the Board of Governors, committees, working groups and task forces, as applicable;
- k. Read/Review the "Board Book" and be prepared for issues and discussions prior to the Board of Governors meetings;
- l. Deliberate matters before the Board of Governors and cast votes giving consideration to the Society and its members' best interests (regardless of personal, chapter, or discipline interests);
- m. Attend the annual conference;
- n. Serve on committees, special committees, task forces, working groups, and other research and advisory groups as requested by the Executive Committee and/or Society's International President; and

- o. Attend all pertinent committee, subcommittee, task force and working group meetings.

3.2.3 Discipline Governors represent discipline members who appraise specific and defined types of property. Their interest in accordance with that of the discipline is in growing the membership, providing education for members-to-be and current members, and expanding the public awareness of the importance of using ASA accredited appraisers for the property type.

In addition to the duties listed above for all governors, Discipline Governors are expected to:

- a. Communicate with the Discipline Committee officers within 30 days of election;
- b. Communicate with the Discipline Committee officers within 15 days after each Board of Governors meeting to make them aware of issues pertinent to the discipline and the activities of the Society, including pertinent policies established by the administration (communication can be made through phone calls, emails or in-person meetings);
- c. Educate the Discipline Committees of their role in the Society and how to use their discipline governor to have their concerns addressed;
- d. Prior to Board of Governors meetings, communicate with the Discipline Committee officers to learn opinions and concerns on pertinent resolutions and policies under consideration and communicate that to the Board of Governors at meetings as the discipline representative;
- e. Represent the opinions and concerns of their discipline committee at Board of Governors meetings. While discipline governors communicate the opinions and concerns of the discipline, they also provide their own opinions and areas of concerns;
- f. Maintain a log of meetings and interactions with discipline committee officers and other discipline members;
- g. Make reasonable effort to attend all Discipline Committee meetings;
- h. Present to the Discipline Committee summaries of recent Board decisions and actions;
- i. Provide a written summary of recent Board of Governors actions to the Committee prior to or during their meetings;
- j. Participate in the recruitment of nominees to serve as a discipline Board of Governors member and discipline committee officers;
- k. Have a working knowledge of and be able to answer any questions about the Rules of Procedure for their respective discipline; and
- l. On leaving office, facilitate the transition to the new governor and act as a mentor to the newly elected Board of Governors member to ensure their understanding of the current issues facing the Board of Governors.

- 3.2.4 Regional Governors represent chapters that serve appraisers from all disciplines whose common interest is the growth and development of the appraisal profession and increased awareness of ASA appraisers in the region. The focus of the Regional Governor is often a broader range of topics and issues pertinent to all ASA members.

In addition to the duties listed above for all governors, Regional Governors are expected to:

- a. Communicate with the chapter presidents and other officers within 30 days of election, introducing themselves and providing contact information (Communication can be made through phone calls, emails, or in-person meetings);
- b. Contact the chapter Presidents (or other officers) to learn about chapter plans and the concerns of the chapter and its members twice a year or as needed based on chapter activities;
- c. Educate the Chapter officers of their role in the Society and how to use their regional governor to have their concerns addressed;
- d. Act as a point of contact for chapters with Society headquarters, facilitating problem solving, when necessary;
- e. Assist staff in maintaining contacts with chapters;
- f. Assist staff (ASA CFO) to assure chapter compliance with stated budgetary requirements;
- g. Represent the opinions and concerns of chapters in the region at Board of Governors meetings. While Regional Governors communicate the opinions and concerns of the region, they also provide their own opinions on areas of concerns;
- h. Provide to all regional members a summary of Board actions that include both general information of Society activities and information pertinent to chapters as necessary;
- i. Over the four-year term, attend at least one event for each chapter (in person if proximity allows or via online meetings, if available);
- j. Maintain a log of meetings and interactions with chapters and members in the region;
- k. Participate in the recruitment of nominees to serve as a regional Board of Governors member and chapter officers;
- l. Encourage chapter members to consider additional Society participation;
- m. Have a working knowledge of and be able to answer any questions about the Bylaws and Rules of Procedure for their chapters; and
- n. On leaving office, facilitate the transition to the new governor and act as a mentor to the newly elected Board of Governors member to ensure their understanding of the current issues facing the Board of Governors.

3.3 Board of Governors Member Code of Conduct and Accountability

The Board of Governors commits itself and its board members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when

acting as board members. The board members have a fiduciary responsibility to the Society, which includes the duty of care, the duty of loyalty, and the duty of obedience. Board members who do not contribute and participate appropriately impinge on the ability of other Board members to fulfill their roles and on the ability of the Board of Governors and the Society to function effectively.

3.3.1 The role of a board member begins with an attitude and a determination to serve the Society faithfully, responsibly, and professionally. Aspects implicit to the role of a board member include:

- a. Leading by example and conduct.
- b. Fostering a community of collegial professionals; and
- c. Avoiding conflicts of interest with respect to their fiduciary responsibility.

3.3.2 Duty of care

Board members are expected to engage in informed and careful decision making, to participate in all meetings and related activities and discussions, and to engage other board members on their ideas and opinions.

- a. Board members are expected to perform their duties in good faith, in a manner reasonably believed to be in the best interests of the Society, and with care to their responsibilities as any prudent and ordinary person would use under similar circumstances.
- b. Newly elected board members will be compliant with the new board members' orientation program.
- c. Board members will be properly prepared for Board of Governors' deliberations.
- d. Board members will attend and participate in all physical and virtual meetings and participate in all activities of the Board of Governors. Board members will inform the International President by email, copying the governance manager, of any expected absence or non-participation at least twenty-four (24) hours before the scheduled meeting time or deadline. If an emergency precludes prior notification, an email explaining the absence or non-participation shall be sent as soon as is practical. On any absence or non-participation, the International President will request an explanation if none was provided prior. Board members with excessive absences or instances of non-participation will be considered for removal from the Board of Governors pursuant to relevant provisions of the Society's Bylaws.
 - i On a first occurrence, the board member will receive notification of the occurrence.
 - ii On a second occurrence, the board member will receive notification of the occurrence, and the Board of Governors will be informed.
 - iii On a third occurrence, the Board of Governors hold a closed session where the occurrences will be discussed and a vote for removal from office or other suitable action may occur according to the Society's Bylaws.
- e. Board members will make reasonable efforts to be available for and participate in special or unscheduled Board of Governors' meetings; and

- f. Board members will actively participate on task forces and committees and perform legitimate specific duties as required and requested by the International President and/or the Board of Governors.

3.3.3 Duty of Loyalty

Board members must have loyalty to the Board of Governors and to the Society, unconflicted by loyalties to staff, other organizations, or any personal interest as a member.

- a. International officers should not serve in any other Society roles (i.e., standing committees, committees other than standing committees, local chapter boards, or any subcommittee thereof) beyond those required by their position unless appointed by the International President;
- b. There will be no self-dealing or business by a board member with the Society. Board members will annually disclose their involvements with other organizations, with vendors, or any associations which might be or might reasonably be perceived as being a conflict;
- c. Board members will not be involved in the governance (in elected or appointed roles) of any other valuation-related organization, organizations which offer valuation-related accreditations, or other organizations or businesses that compete with the Society, or whose policies or goals may diverge from those of the Society;
- d. When the Board of Governors is to decide upon an issue about which a board member has an unavoidable conflict of interest, that board member will recuse themselves from the deliberation, discussion and vote;
- e. Board members will not use their Board of Governors' position to obtain benefit(s) from the Society for themselves, family members or close associates. Should a board member apply for such benefit(s), they must first resign from the Board of Governors.

3.3.4 Duty of Obedience

- a. Board members will not attempt to exercise individual authority over the staff organization or over an individual staff member.
- b. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in an individual board member except when explicitly authorized or delegated by the Board of Governors.
- c. Board members' interaction with the public, press or other entities must recognize the same limitation and the inability of any board member to speak for the Board of Governors or the Society except to repeat explicitly stated Board of Governors' decisions.
- d. Except for participation in Board of Governors' deliberation about whether reasonable interpretation of Board of Governors policy has been achieved by the CEO, board members will not express individual judgments of the performance of individual staff members.

3.3.5 Board members will respect the confidentiality appropriate to the level of sensitivity inherent to the matters discussed at Board of Governors meetings.

3.4 Agenda Planning

To accomplish its responsibilities with a governance style consistent with Board of Governors policies, the Board of Governors will follow an annual agenda which: (a) completes a re-exploration of ends policies annually; and (b) continually improves Board of Governors performance through Board of Governors' education and through enriched input from Board of Governors deliberations and from selected external sources as determined by the Board of Governors.

- 3.4.1 The cycle will conclude each year on the last day of March so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board of Governors' most recent statement of long-term ends;
- 3.4.2 The cycle will start with the Board of Governors' development of its agenda for the next year:
 - a. Consultations with selected membership groups or other methods of gaining member input will be determined and arranged in the fourth quarter of the previous fiscal year, to be held during the balance of the year; and
 - b. Governance education, and education related to ends determination, (e.g., presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter of the fiscal year, to be held during the balance of the year.
 - c. To set the strategies and direction of the organization at the Professional (industry) level.
- 3.4.3 Throughout the year, the Board of Governors will attend to the completion of its consent agenda items as expeditiously as possible;
- 3.4.4 CEO monitoring will be included on the agenda if monitoring reports show policy violations or if policy criteria are to be discussed, debated, or changed;
- 3.4.5 Items which are brought forward by the CEO as a request for Board of Governors approval for issues which are within the CEO's authority, but may be required by an external entity, will be placed on a required approval for actions agenda. The CEO will provide a reasonable interpretation of the policy which the Board of Governors approves to be reasonable. If reasonable, the Board of Governors will place it on the required approval for actions agenda and the Board of Governors will vote for approval without any further information or questions necessary;
- 3.4.6 CEO compensation will be decided after receipt and review of the report from the Compensation Task Force (CTF) no later than June 30 of the current fiscal year;
- 3.4.7 The International President has responsibility for and authority over drafting the content of each agenda subject to Board input and approval except that they will refrain from and resist including operational matters on the agenda unless raised by the CEO or a concern is raised that requires further discussion or definition of executive constraints;

- 3.4.8 Individual meeting agendas will conform to the values in this policy. A sample of an individual meeting agenda is included below that illustrates the items that do so.

Note: The agenda below is an example of the types of topics the Governance System should be addressing.

Examples of Governance System Topics to be Discussed	
1. Approve Agenda; 2. Meeting Logistics: 2.1. Attendance; and 2.2. Acceptance of Minutes. 3. Consent Agenda; 4. Required Approval Agenda (CEO Construct); 5. Board of Governors Members Linkage: 5.1. Communication with the External Environment Related to Board of Governors' Annual Agenda; and 5.2. Board of Governors' Members' Communication. 6. Policy Discussion: 6.1. Based on Annual Plan of Board of Governors' Work.	7. Assurance of Successful CEO Performance: 7.1. Receipt of Monitoring Reports; Vote on Compliance; 7.2. Challenges to Monitoring; 7.3. New Issues Discovered in Monitoring; and 7.4. Next Monitoring Assignment. 8. Board of Governors' Self-Assessment Against Board of Governors Means Policies (According to the Monitoring Schedule); 9. Announcements; and 10. Adjournment.

Fig. #2: Examples of governance system topics to be discussed

3.5 International President's Role

The International President ("president"), a specially empowered member of the Board of Governors, ensures the integrity of the Board of Governors' process and, secondarily, occasionally represents the Board of Governors to outside parties.

Accordingly:

- 3.5.1 The assigned result of the president's job is that the Board of Governors operates consistently with its own rules and those legitimately imposed upon it from outside the Society:
 - a. Meeting discussion content will be on those issues which, according to Board of Governors' policy, clearly belong to the Board of Governors to decide or to monitor;
 - b. Information which is for neither monitoring performance nor Board of Governors deliberations or decisions will be avoided or minimized and always noted as such; and
 - c. Deliberation will be fair, open, and thorough, but also succinct, orderly, and kept to the point.
- 3.5.2 The authority of the president consists in making decisions that fall within topics covered by Board of Governors policies on governance process and

Board of Governors-CEO linkage, with the exception of (a) employment or termination of a CEO; and (b) where the Board of Governors specifically delegates portions of this authority to others. The president is authorized to use any reasonable interpretation of the provisions in these policies:

- a. The president is empowered to chair Board of Governors meetings with all the commonly accepted power of that position, such as ruling and recognizing;
 - b. The president has no authority to make decisions about policies created by the Board of Governors within ends and executive constraints policy areas. Therefore, the president has no individual authority to supervise or direct the CEO; and
 - c. The president will represent the Board of Governors to outside parties in announcing the Board of Governors' stated positions and in stating their decisions and interpretations within the area delegated to them.
- 3.5.3 The president may delegate this authority to other board members or standing committees but remains accountable for its use;
- 3.5.4 The president may not appoint themselves to any position in which the president also has appointment authority; and
- 3.5.5 Provided they are eligible and available, the president shall automatically become the international past president for the year following their term as president.

3.6 International Vice President's Role

The work of the International Vice President ("Vice President") is to perform all the duties of the president in the president's absence and to support the president as reasonably requested by the president.

Accordingly:

- 3.6.1 The Vice President will perform such duties as the president will delegate;
- 3.6.2 The Vice President will function as the president if the president resigns, dies, becomes physically incapacitated, or otherwise is prevented from meeting the obligations or discharging the duties of their office;
- 3.6.3 The Vice President will ensure that they understand and are prepared to assume, if necessary, the role and duties of the president;
- 3.6.4 The position of Vice President carries with it no authority above or beyond any other board member or over the CEO except as that authority is granted to the president and for such time as the Vice President is serving in the role of president; and
- 3.6.5 Provided they are eligible and available, the Vice President shall automatically become a nominee for the office of president for the year following their term as Vice President.

3.7 International Secretary/Treasurer's Role

The International Secretary/Treasurer ("Secretary/Treasurer") is an officer of the Board of Governors whose purpose is to ensure the integrity of the Board of Governors' use of funds, to lead the annual audit, and to ensure the Board of Governors' documents and official records.

Accordingly:

- 3.7.1 In their capacity as treasurer, the Secretary/Treasurer serves primarily to assist the Board of Governors in maintaining and leading in the process of securing an auditor for an external inspection of the Society's financial policies:
 - a. The assigned result of the Secretary/Treasurer's job is to oversee that the audit scope and external auditor candidates are identified and to oversee the auditor's qualifications and independence; and
 - b. The Secretary/Treasurer will serve as the Chair of the Audit Committee and of the Investment Committee.
- 3.7.2 In their capacity as secretary, the assigned result of the Secretary/Treasurer's job is to oversee that all Board of Governors documents and official records are complete, and all filings are accurate, timely and complete;
- 3.7.3 Policies will be current in their reflection of Board of Governors decisions. Decisions upon which no subsequent decisions are to be based (such as consent agenda decisions, motions to adjourn, or Board of Governors recognitions) need not be placed in policy;
- 3.7.4 Policies will rigorously follow policy governance principles;
- 3.7.5 Provisions of the Bylaws necessary for legal compliance and for consistency with the principles of policy governance will be known to the Board of Governors;
- 3.7.6 Requirements for format, brevity, and accuracy of Board of Governors minutes will be known to the CEO; and
- 3.7.7 Provided they are eligible and available, the Secretary/Treasurer shall automatically become a nominee for the office of Vice President for the year following their term as Secretary/Treasurer.

3.8 International Immediate Past President's Role

The work of the international immediate past president ("past president") is to assist the president and the Board of Governors by providing insights based on historical actions and results, and providing support in any other manner that the president or the Board of Governors requests.

Accordingly:

- 3.8.1 The past president will perform any duties as assigned by the president or executive committee; and
- 3.8.2 The past president will serve as the Chair for the Nominations and Awards Committee; and

- 3.8.3 The past president will support the president and the Board of Governors through mentoring, coaching, and advising; and
- 3.8.4 The past president will contribute to the continuity of the Society by providing historical context and guidance.

3.9 Board of Governors Committee Principles

Board of Governors committees (“board committees”), when used, will be assigned to reinforce the Board of Governors’ purposes and to never to interfere with delegation from the Board of Governors to CEO.

Accordingly:

- 3.9.1 There will be standing board committees, special and other committees, and Discipline Committees. Special and other committees are non-standing board committees. Discipline Committees and the Board of Examiners are standing committees that report to the CEO rather than the Board. Standing board committees are governed pursuant to and operate under the Society’s Constitution. Non-standing board committees are governed by and operate at the direction of the Board of Governors. Henceforth, the term board committees will refer to standing and non-standing board committees, collectively, with the exception of the Discipline Committees and the Board of Examiners;
- 3.9.2 Board committees are to assist the Board of Governors in fulfilling its responsibilities, not to assist or advise the staff. Board committees ordinarily will assist the Board of Governors by preparing policy alternatives and implications for Board of Governors deliberation. In keeping with the Board of Governors’ broader focus, board committees will normally not have direct dealings with current staff unless the CEO provides direct or indirect permission to do so;
- 3.9.3 Board committees will not speak or act for the Board of Governors except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO;
- 3.9.4 Board committees cannot exercise authority over staff. Because the CEO works for the full Board of Governors, staff will not be required to obtain approval of a board committee before exercising that authority in taking an executive action;
- 3.9.5 Board committees are to avoid over-identification with a subpart of the Society (such as a particular discipline, etc.) rather than the Society as a whole. Consequently, a board committee which has assisted the Board of Governors in creating policy on some topic will excuse itself from monitoring that policy;
- 3.9.6 This policy applies to groups which are formed by Board of Governors action only, whether it is called a committee or a task force, and regardless of

whether the group includes board members or not. Non-standing board committees may be formed by the president; and

- 3.9.7 Board Committees shall make written reports to their activities to the Board of Governors at the midterm meeting and the annual meeting or as directed by the President.

3.10 Standing Committee Structure

A standing committee is a standing board committee only if its existence comes from the Constitution and its charge comes from the Board of Governors, regardless whether board members sit on the committee. Standing board committees are governed pursuant to and operate under the Society's Constitution and Bylaws. Appointments to fill temporary vacancies on standing board committees will be responsibilities of the party that made the initial appointments (i.e., the president or Chair with consultation of the CEO and Chairs of the disciplines)

3.10.1 Executive Committee

- a. *Responsibility*: Support the Board of Governors as and when needed.
- b. *Authority*: Incur costs of no more than the annual budgeted amount and no more than 20 hours of staff time per annum.
- c. *Committee Membership*: The international officers.
- d. *Terms*: Members of the Executive Committee shall hold office for one year and may not succeed themselves except at the invitation of the Board of Governors. In no event shall any member of the Executive Committee serve for more than two (2) consecutive years in the same office.

3.10.2 Constitution and Bylaws Committee

- a. *Responsibility*: Monitor and recommend changes to the Board of Governors to all governance instruments, including but not limited to the Constitution, Bylaws Administrative Rules/Board Procedure Manual (AR/BPM), Discipline Rules of Procedure and College of Fellows Rules of Procedure.
- b. *Authority*: Incur costs of no more than the annual budgeted amount and no more than 10 hours of staff time per annum.
- c. *Committee Membership*: Comprised of members that are past international officers, past governors, or past international committee chairs that hold at least the Accredited Senior Appraiser (or equivalent) designation. The Board shall appoint the Chair prior to June 30 of each year. The membership of the Constitution and Bylaws Committee shall be made up of one (1) representative of each of the six (6) disciplines, to be appointed by the president. Legal counsel and the Board of Governors parliamentarian may serve as ex-officio to this committee.
- d. *Terms*: Members shall serve staggered terms not to exceed five (5) years.

3.10.3 Ethics Committee

- a. *Responsibility*: Establish and update, as needed, a process for submitting, receiving, and determining the reasonableness of any ethical complaints regarding members.

- b. *Authority*: Incur costs of no more than the annual budgeted amount and no more than 10 hours of staff time per annum.
- c. *Committee Membership*: The Board shall appoint the Chair prior to June 30 of each year. The membership of the Ethics Committee shall be made up of one (1) representative of each of the six (6) disciplines in addition to the Chair, to be appointed by the president.
- d. *Terms*: Members shall serve staggered terms not to exceed five (5) years.

3.10.4 Nominating and Awards Committee

- a. *Responsibility*: Properly screen potential Secretary/Treasurer candidates by no later than February 15 each year; review and investigate nominations for bestowal of Honorary Membership and Lifetime Achievement Award; and make appropriate recommendations to the Board of Governors.
- b. *Authority*: Incur costs of no more than the annual budgeted amount and no more than 20 hours of staff time per annum.
- c. *Committee Membership*: International past president as Chair and one (1) representative of each of the six (6) disciplines appointed by the Board of Governors. Each member must hold at least the Accredited Senior Appraiser (or equivalent) designation.
- d. *Terms*: Members shall serve staggered terms not to exceed three (3) years.

3.10.5 Board of Examiners

- a. *Responsibility and Authority*: To be determined in concert with the CEO and as set forth in the Society's Constitution and Bylaws.
- b. *Committee Membership*: Chairs of each discipline committees will consult with the CEO to appoint one (1) member from the discipline to serve as Vice Chair of this committee for one (1) year and may be reappointed annually. The Chair and Vice Chairs of this committee must hold at least the Accredited Senior Appraiser (or equivalent) designation.
- c. *Committee Chair*: The CEO shall appoint a Chair of the Board of Examiners.
- d. *Terms*: The Chair and each Vice Chair will serve until such time as they (1) are not reappointed by the CEO; (2) submit a letter of resignation to headquarters; (3) are removed by the CEO; or (4) are ineligible to serve as Vice Chair, for reasons including, but not limited to, failure to reaccredit, nonpayment of dues, or ethic violations. Members, consisting of examiners and advisers, shall be appointed by the CEO, in consultation with the corresponding discipline Chair to serve one (1) year and may be reappointed annually. Each will serve until such time as the member (1) is not reappointed by the CEO (2) submits a letter of resignation to headquarters; (3) is removed by the CEO or (4) is ineligible to serve as a member, for reasons including, but not limited to, failure to reaccredit, nonpayment of dues or ethics violations.

3.10.6 Discipline Committees

- a. *Responsibilities and Authorities*: To be determined in concert with the CEO and as set forth in the Society's Discipline Committee Rules of Procedures.

- b. *Committee Membership*: Members and officers of each discipline committee are appointed by the CEO pursuant to the Society's Discipline Committee Rules of Procedure.
- c. *Terms*: Officers and members shall serve terms pursuant to the Society's Discipline Committee Rules of Procedure.

3.10.7 Audit & Financial Oversight Committee

- a. *Responsibility*: Specify the scope of outside audit by no later than January 10 each year. The Audit Committee shall maintain oversight of the integrity of the Society's financial statements and returns by: (1) Selecting and evaluating the external auditors; (2) Ensuring the external auditor's qualifications and independence; (3) Determining the terms of engagement, including financial compensation, and terminating or replacing the external auditor when circumstances warrant; (4) Maintaining oversight of the performance of the Society's internal audit function and reviewing with management any reportable conditions and material weaknesses affecting internal controls; (5) Conducting any investigations into any matters within the committee's scope of responsibilities; and (6) Reporting bi-annually at midterm and annual members meetings of the Board of Governors.
- b. *Authority*: To incur no more than the annual budgeted amount and use of no more than 50 person-hours staff time per annum.
- c. *Committee Membership*: The International Secretary/Treasurer shall serve as the Chair of the Audit Committee. The Audit Committee shall include two (2) additional members who are independent and financially literate, appointed by the Board of Governors for terms of three (3) years each, at least one of whom shall have direct and material audit experience;
- d. *Terms*: Members are to serve terms not to exceed three (3) years.

3.10.8 Investment Committee

- a. *Responsibility*: Establish and oversee the annual investment plans for the long-term reserve fund and the short-term fund.
- b. *Authority*: Incur costs of no more than the annual budgeted amount and no more than 36 hours of staff time per annum for professional advice in determining the investment plans.
- c. *Committee Membership*: The Chair is the Secretary/Treasurer. Four (4) additional members shall be appointed by the president-elect prior to June 30 of each year.
- d. *Terms*: Members are to serve terms of three (3) years.

3.11 Committees other than Standing Committees

A non-standing committee is a non-standing board committee only if its existence and charge come from the Board of Governors, regardless of whether or not board members sit on the Committee. Non-standing board committees are governed by and operate at the direction of the Board of Governors. Non-standing board committees may be formed by the Board. Appointments to fill temporary vacancies on non-standing board committees will be responsibilities of the party that made the initial appointments.

3.11.1 Tellers and Credentials Committee

- a. *Responsibility:* For each election year, ensure appropriate credentials for voting were honored and assure the tally of the final vote was accurate. Their responsibility shall be as follows: (1) Ensuring that the election of international officers, governors, and discipline committee members is conducted in compliance with the Bylaws and Administrative Rules; and (2) Certifying the legitimacy of any elections of international officers, governors, and discipline committee officers and members in a report submitted to the Board of Governors.
- b. *Authority:* To incur costs of no more than the annual budgeted amount and no more than 10 hours of staff time per annum.
- c. *Committee Membership:* The Board shall appoint a Tellers and Credentials Committee not less than 30 days before the close of the polls for international elections. The Tellers and Credentials Committee shall consist of no more than three (3) members.
- d. *Terms:* Members are to serve terms of one (1) year.

3.11.2 Elections Dispute Resolution Committee

- a. *Responsibility:* The Elections Dispute Resolution Committee is formed in response to complaints or issues arising in connection with ASA National Elections that the Board of Governors or president determines are worthy of independent review. The committee reviews and deliberates on complaints attributable to alleged violations of election procedures, policies, and/or governing documents of the Society regarding national elections. The Elections Dispute Resolution Committee shall inform the Board of Governors of complaints it considers relevant and appropriate and may recommend possible penalties and remedies for alleged violations. The process is: (1) complaints regarding possible election violations shall be addressed to the CEO in writing and forwarded expeditiously to the Elections Dispute Resolutions Committee and the president; (2) any findings of violations shall be forwarded in a report to the Board of Governors with recommendations appropriate to the infractions found; and (3) the Board of Governors shall address such findings and recommendations expeditiously.
- b. *Authority:* To incur costs of no more than the annual budgeted amount and no more than 10 hours of staff time per annum.
- c. *Committee Membership:* Five (5) members in good standing with officer, governor or discipline experience; two (2) appointed by the president-elect and three (3) by the Board of Governors. The Chair of the Elections Dispute Resolution Committee shall be elected annually by the members of the Elections Dispute Resolution Committee. The parliamentarian and legal counsel of the Society shall serve as ex-officio members of the Elections Dispute Resolution Committee. A member of the Elections Dispute Resolution Committee shall not run for or hold an ASA national election office during their term of service. If a member of the Elections Dispute Resolution Committee wishes to run for an ASA national election office, they may do so after resigning their position on the Elections Committee.

- d. *Terms*: Members shall serve for the duration of the matter for which the committee is convened, or as otherwise determined by the Board of Governors.

3.11.3 CEO Compensation Committee

- a. *Responsibility*: To determine CEO compensation and goals.
- b. *Authority*: To incur costs of no more than the annual budgeted amount and no more than 10 hours of staff time per annum.
- c. *Committee Membership*: Chaired by the president. Comprised of five (5) board members consisting of the president, one (1) member of the Executive Committee appointed by the president, and three (3) members of the Board of Governors appointed by the Board of Governors.
- d. *Terms*: Elected members are to serve one (1) year terms, and appointed members are to serve two (2) year terms.

3.11.4 Governance Education Committee

- a. *Responsibility*: Assure that all current, new and prospective international officers and board members are knowledgeable and competent to govern. Educate Society members—focusing on members of discipline committees, chapter boards, and other committees—on the duties and responsibilities of international officers and governors, and the role of the Board of Governors under policy governance. Inform members—focusing on members of discipline committees, chapter boards, and other committees—of upcoming opportunities to serve as an international officer or governor.
- b. *Authority*: To incur costs of no more than the annual budgeted amount and no more than 10 hours of staff time per annum.
- c. *Committee Membership*: The Vice President as Chair. Other members shall be current or past international officers or governors with one (1) representative of each of the six (6) disciplines and shall include current or past region governors and discipline governors, to be appointed by the president.
- d. *Terms*: Members shall serve staggered terms not to exceed three (3) years.

3.12 Cost of Governance

Because poor governance costs more than learning to govern with competence, the Board of Governors will invest in its governance capacity.

Accordingly:

- 3.12.1 Board member skills, methods and supports will be enough to ensure governing with competence;
- 3.12.2 Training and retraining will be used, as determined by the Board of Governors, as sufficient to orient new board members and candidates for Board of Governors' membership, as well as to maintain and increase existing board member skills and knowledge;

- 3.12.3 Outside monitoring assistance will be arranged so that the Board of Governors can exercise confident control over organizational performance. This includes, but is not limited to, a fiscal audit;
- 3.12.4 Outreach mechanisms will be used as needed to ensure the Board of Governors' ability to listen and respond to member viewpoints and values;
- 3.12.5 Costs will be prudently incurred to ensure the development and maintenance of the Board of Governors' capability to govern with competence;
- 3.12.6 The Board of Governors will develop its budget by the end of the third quarter of each fiscal year to ensure its inclusion in the overall budget. Generally, the Board of Governors' budget will include expenditures for:
 - a. Training, including attendance at conferences and workshops;
 - b. Developing and updating Board of Governors training and induction modules;
 - c. Audits and other third-party monitoring of organizational performance;
 - d. Board of Governors committees;
 - e. Surveys, focus groups, opinion analyses, and meeting costs; and
 - f. Board of Governors meetings.

4 Global Board of Governors—Management Delegation

The Board of Governors' sole official connection to the operational organization, its achievements and conduct will be through the CEO.

4.1 Unity of Control

Only officially passed motions of the Board of Governors that make or amend ends or executive constraints are binding on the CEO.

Accordingly:

- 4.1.1 Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the Board of Governors has specifically authorized or delegated such authority; and
- 4.1.2 In the case of board members or board committees requesting information or assistance without Board delegation or authorization, the CEO may refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive. This does not apply to a board member who is acting in their role as individual member or discipline officer.

4.2 Accountability of the CEO

The CEO is the Board of Governors' only link to operational achievement and conduct, so all authority and accountability of staff, as far as the Board of Governors is concerned, is considered the authority and accountability of the CEO.

Accordingly:

- 4.2.1 The Board of Governors as a whole, or any individual board member, while acting in their role as a governor on the Board, will never give instructions to persons who report directly or indirectly to the CEO. The CEO is the only authority over staff members and operational volunteers, including board members serving as a volunteer;
- 4.2.2 The Board of Governors will not evaluate, either formally or informally, any staff other than the CEO; and
- 4.2.3 The Board of Governors will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board of Governors' stated ends and avoidance of Board of Governors proscribed means will be viewed as successful CEO performance.

4.3 Delegation to the CEO

The Board of Governors will instruct the CEO through written policies that prescribe the organizational ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these Board of Governors policies.

Accordingly:

- 4.3.1 The Board of Governors will develop policies instructing the CEO to achieve specified results, for specified recipients at a specified balance of results against the resources. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called ends policies;
- 4.3.2 The Board of Governors will develop policies that limit the latitude the CEO will exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board, even if they were to be effective and will capture values of prudence and ethics. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called executive constraints policies. The Board of Governors will never prescribe organizational means delegated to the CEO:
 - a. If the Board of Governors chooses to develop more specific policies below the broadest (global) policy level, such policies will further define the policy that comes immediately before it. Any such policy will not diminish the broader policies above it. The CEO will still be obligated to consider the full range of all the nested policies when developing their reasonable interpretation of the broader policy;
 - b. The CEO must interpret the full set of Board of Governors' policies addressing the broader topics when creating their reasonable interpretation; and

- c. The CEO may propose that all the constraints below the broadest (first) policy incorporate the entire spectrum of the broadest policy, but only if justified by the CEO to the Board's satisfaction.
- 4.3.3 As long as the CEO uses any reasonable interpretation of the Board's ends and executive constraints policies, the CEO is authorized to establish all further appropriate policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CEO will have full force and authority as if decided by the Board of Governors; and
- 4.3.4 The Board of Governors may change its ends and executive constraints policies, thereby shifting the boundary between Board of Governors and CEO domains. By doing so, the Board of Governors changes the latitude of choice given to the CEO. If any delegation is in place, the Board of Governors will respect and support the CEO's choices.

4.4 Monitoring CEO Performance

Systematic and rigorous monitoring of CEO job performance will be solely against the expected CEO job outputs: organizational accomplishment of Board of Governors policies on ends and organizational operation within the boundaries established in Board of Governors policies on executive constraints.

Accordingly:

- 4.4.1 Monitoring is simply to determine the degree to which Board of Governors policies are being met. Information which does not do this will not be monitoring information;
- 4.4.2 The Board of Governors will acquire monitoring data by one or more of three methods:
 - a. By internal report, in which the CEO discloses compliance and information;
 - b. By external report, in which an external, disinterested third party selected by the Board of Governors collects data that show the level of compliance with the policy; and
 - c. By direct Board of Governors inspection, in which a designated member or members of the Board of Governors collects data to demonstrate compliance with the policy.
- 4.4.3 All monitoring methods require the CEO to provide an operational definition of each policy being monitored, include their rationale and justification for the reasonableness of the operational definitions, identify a method of measure, and state a level of achievement for successful completion;
- 4.4.4 In every case, the standard for compliance will be any reasonable CEO interpretation of the Board of Governors' policy being monitored. The Board of Governors is final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the Board of Governors as a whole; and
- 4.4.5 All policies which instruct the CEO will be monitored at a frequency and by a method chosen by the Board of Governors and set for a period not to exceed

five (5) years. The Board of Governors can monitor any policy at any time by any method but will ordinarily depend on a routine schedule.

4.5 CEO Compensation and Benefits

The Board of Governors will negotiate a contract with the CEO that will stipulate compensation and benefits for the CEO.

Furthermore,

- 4.5.1 CEO remuneration will be decided after a March review of monitoring reports received since the last review related to CEO remuneration.

Appendix A

POLICY GOVERNANCE® – ONE PAGE PRINCIPLES SUMMARY

Policy Governance® is a comprehensive set of integrated principles that, when consistently applied, allows governing boards to realize owner-accountable organizations. Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership. These principles are briefly summarized below:

- 1. Ownership:** The board authority and accountability is connected with, and derived from, those who morally if not legally own the organization – “Owners,” as used in Policy Governance, are not all stakeholders, but only those who stand in a position corresponding to shareholders in an equity corporation.
- 2. Governance Position:** With the ownership above it and operations below it, the board’s governance role is commander, not advisor. It exists to exercise that authority and properly empower others rather than to be management’s consultant, ornament or adversary.
- 3. Board Holism – “One Voice”:** The board makes authoritative decisions directed toward management and toward itself, its individual members and committees only as a total group. That is, the board’s authority is a group authority rather than a summation of individual authorities.
- 4. Ends Policies:** The board defines in writing the (a) results, changes or benefits that should come about for specified (b) recipients, beneficiaries or otherwise defined impacted groups, and (c) at what cost or relative priority for the various benefits or various beneficiaries. These are not all the possible “side benefits” that may occur, but those that form the purpose of the organization, the achievement of which constitutes organizational success.
- 5. Board Means Policies:** The board defines in writing those behaviors, values-added, practices, disciplines and conduct of the board itself and of the board’s delegation/accountability relationship with its own subcomponents and with the executive part of the organization. Because these are non-ends decisions, they are called “board means” to distinguish them from ends and staff means. In Policy Governance, documents containing solely these decisions are categorized as Governance Process and Board-Management Delegation, but can be called by whatever name a board chooses, as long as the concept is strictly preserved.
- 6. Management Limitations Policies:** The board makes decisions with respect to its staff’s means decisions and actions only in a proscriptive way in order simultaneously (a) to avoid prescribing means (how can it hold staff accountable for results if the board has mandated the processes by which they’re to be achieved?) and (b) to put off limits those means that would be unacceptable even if they work.
- 7. Policy “Sizes”:** The board’s policy decisions are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, one articulated level at a time.
- 8. Delegation to Management:** If the board chooses to delegate to management through a chief executive officer, it honors the exclusive authority/accountability of that role as the sole official connection between governance and management.
- 9. Any Reasonable Interpretation:** In delegating further decisions – beyond those recorded in board policies – the board grants the delegatee the right to use any reasonable interpretation of the policies. In the case of Ends and Management Limitations, when a CEO exists, that delegatee is the CEO. In the case of Governance Process and Board-Management Delegation, that delegatee is the CGO (chief governance officer, commonly referred to as the “Board Chair”) except when the board has explicitly designated another board member or board committee.
- 10. Monitoring:** The board monitors organizational performance through fair but systematic assessment of whether a reasonable interpretation of its Ends policies is being achieved and a reasonable interpretation of its Management Limitations policies is being complied with. When a CEO is employed, this constitutes the CEO’s evaluation.

These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its look but may seriously damage its ability to tell time. So, in Policy Governance, all the above pieces must be in place to be effective in allowing a governing board to realize systematic accountability.

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