

## **Preamble**

## **Ends**

1. Global Ends Statement

## **Executive Limitations**

2. Global Executive Constraint
  - 2.1. Treatment of Consumers
  - 2.2. Treatment of Staff
  - 2.3. Financial Condition and Activities
  - 2.4. Financial Planning and Budgeting
  - 2.5. Emergency CEO Succession
  - 2.6. Asset Protection
  - 2.7. Compensation and Benefits
  - 2.8. Communication and Support to the Board

## **Board-Management Delegation**

3. Global Governance-Management Connection
  - 3.1. Unity of Control
  - 3.2. Accountability of the CEO
  - 3.3. Delegation to the CEO
  - 3.4. Monitoring CEO Performance
  - 3.5. CEO Employment

## **Governance Process**

- 4. Global Governance Commitment
  - 4.1. Governing Style
  - 4.2. Board Job Products
  - 4.3. Agenda Planning
  - 4.4. Chief Governance Officer's Role
  - 4.5. Board Members' Code of Conduct
  - 4.6. Board Committee Principles
  - 4.7. Board Committee Structure
  - 4.8. Governance Investment
  - 4.9. Secretary's Role
  - 4.10. Rules of Order

Adoption Date: 17 August 2010

Replaces Policy Adopted on:

Board secretary's affirmation of official board  
action adopting this preamble:

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Secretary

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## **PREAMBLE**

This preamble is a place for the board to articulate “where it’s coming from”. It is intended as an aide-memoir for the board, and as background information for outside readers/auditors of this Policy Manual. It is not actionable policy and is not subject to monitoring (which means, among other things, that the CEO is not required or expected to consider the contents of this preamble when interpreting policy.)

**With respect to Policy 2.2.6**, this policy could also have been considered for inclusion under Policy 2.8. While the board would not normally wish to constrain in this manner the ED’s freedom to design the organization, the reality is that the world does not provide a pool of potential CEO candidates who are qualified to run both a Waldorf educational program and the business side of a school. If the school were to lose a CEO who had been leading both the business activities and the educational activities of the school, the board would find it very difficult to recruit his or her successor. However, there are pools of candidates for a Waldorf Dean of Education position and also for a CEO position that does not include hands-on operation of a Waldorf educational program. Therefore, it is considered prudent to maintain both positions, ensuring that the teachers have a qualified leader/supporter, that the school has a qualified CEO to conduct its business, and that the board has a pool of qualified potential successor CEO candidates.

**With respect to Policy 4.1.3.A**, this policy is technically redundant by virtue of the Association’s status as an independent Washington nonprofit corporation, but is included in the Policy Manual to make more accessible to readers the fact that the board, which has the duty and responsibility to determine how the organization is governed, is not obligated to follow the governance suggestions of any other person or organization (except as required by law).”

## **Policy of the Board of Three Cedars School**

Adoption Date: 06 November 2008

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 07 July 2006

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Secretary

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### **Policy Type: Ends**

#### **Policy Title: 1. Global Ends Statement**

- Students who attend Three Cedars Waldorf School (K-12) will, in a balanced manner, think clearly, feel deeply and impart purpose to their own lives. These results will be accomplished at a cost to society that is justifiable.

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: n/a

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Secretary

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### **Policy Type: Executive Limitations**

#### **Policy Title: 2. Global Executive Constraint**

- The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

## Policy of the Board of Three Cedars School

Adoption Date: 24 September 2007

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 09 April 2007

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Secretary

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### **Policy Type: Executive Limitations**

#### **Policy Title: 2.1. Treatment of Consumers**

- With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  1. Elicit information for which there is no clear necessity
  2. Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material elicited
  3. Operate facilities without appropriate accessibility and privacy
  4. Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from the service offered, including obtaining for each student explicit acknowledgement by his/her parent/guardian of the school's use of unconventional practices, such as, active indoor and outdoor play, sports and other activities, tree climbing, archery, social inclusiveness, woodworking, parent volunteer drivers, use of private automobiles, swings, monkey bars and other outdoor equipment, food preparation methods, textile dying, vaccination and medicine, use of fire, chemistry experiments, animals, and other practices that may be considered unsafe by some more conventional schools.
  5. Allow consumers to be unaware of this policy or to be left without a way to be heard if they believe they have not been accorded a reasonable interpretation of their protections under this policy
  6. Cause or allow the use of educational methods that are inconsistent with Rudolf Steiner's indications for supporting human development

## Policy of the Board of Three Cedars School

Adoption Date: 09 June 2010

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 06 November 2007

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Secretary

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### **Policy Type: Executive Limitations**

### **Policy Title: 2.2. Treatment of Staff**

- With respect to the treatment of paid and volunteer staff, the CEO shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  1. Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons
  2. Discriminate against any staff member for nondisruptive expression of dissent
    - A. The CEO shall not retaliate against an employee for reporting to management or to the board of directors acts or omissions by company personnel, management or the board of directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the board.
  3. Allow staff to be unacquainted with the CEO's interpretation of their protections under this policy
  4. Allow staff to be unprepared to deal with emergency situations
  5. Cause or allow a family member or close associate of the CEO to obtain paid employment (including contracted employment) in the organization.
  6. Fail to delegate to a Waldorf-qualified dean of education (however titled) at the very least 1) the (direct or indirect) supervision of the educational program staff, as well as 2) the day-to-day operation of the educational program.

## Policy of the Board of Three Cedars School

Adoption Date: 2 June 2008

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 19 May 2008

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Secretary

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### **Policy Type: Executive Limitations**

#### **Policy Title: 2.3. Financial Condition and Activities**

- With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  1. Expend more funds than have been received, unless the debt guideline in sub-policy 2.3.3 is met
  2. [deleted]
  3. Incur debt or other binding obligations in an amount greater than can be paid from certain otherwise unencumbered revenues within sixty days
  4. Use any long-term reserves
  5. Allow the organization's operations cash balance to fall below 90 days normal operating expenses.
  6. Fail to settle payroll and debts in a timely manner
  7. Allow tax payments or other government-ordered payments or filings, including but not limited to IRS Form 990, Sales & Use Tax, Annual Report of Corporation to the Secretary of State, Property Tax Exemption filing, to be overdue or inaccurately filed.
  8. Fail to pursue receivables after a reasonable grace period



## Policy of the Board of Three Cedars School

Adoption Date: 2 June 2008

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 November 2005

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Secretary

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### **Policy Type: Executive Limitations**

### **Policy Title: 2.4. Financial Planning and Budgeting**

- The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.
- Further, without limiting the scope of the foregoing by this enumeration, there will be no financial plans that
  1. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities"
  2. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions
  3. Provide less for board prerogatives during the year than is set forth in the Governance Investment Policy

## Policy of the Board of Three Cedars School

Adoption Date: 13 February 2007

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 November 2005

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Secretary

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### **Policy Type: Executive Limitations**

### **Policy Title: 2.5. Emergency CEO Succession**

- The CEO shall not allow the board and organization to go unprotected from sudden loss of CEO services
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  - 1 Permit there to be fewer than two other paid or volunteer staff sufficiently familiar with board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor.
  - 2 Permit there to be fewer than two other paid or volunteer staff sufficiently familiar with any critical operations function which the CEO has been fulfilling personally, to enable either to take over with reasonable proficiency as an interim successor.

## Policy of the Board of Three Cedars School

Adoption Date: 17 August 2010

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 22 January 2010

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Secretary

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### **Policy Type: Executive Limitations**

#### **Policy Title: 2.6. Asset Protection**

- The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  1. Fail to insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses to board members, staff, and the organization itself in an amount not less than the average for comparable organizations.
  2. Allow unbonded personnel (including contractors and volunteers) access to material amounts of funds
  3. Subject facilities and equipment to improper wear and tear or insufficient maintenance
  4. Unnecessarily expose the organization, its board, or its staff to claims of liability
  5. Make any purchase (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over \$ 5,000.00 without having obtained comparative prices and quality; (c) of over \$ 10,000.00 without a stringent method of ensuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
  6. Fail to protect intellectual property, information, and files from loss or significant damage
  7. Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards
  8. Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the

board as consultants or advisers (except for engagement of the board's appointed auditor to prepare the annual IRS Form 990).

9. Invest or hold operating capital or investments in instruments meeting the following criteria: a) checking accounts and short term deposits that are not federally insured b) longer term bonds that do not have a rating of AA or higher, or c) non-interest-bearing accounts except where necessary to facilitate ease in operational transactions
10. Endanger the organization's public image, its credibility, or its ability to accomplish ends
11. Change the organization's name or substantially alter its identity in the community
12. Create or purchase any subsidiary.
13. Fail to maintain records in a manner consistent with a records retention schedule established in accordance with recommendations from legal counsel.

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Replaces Policy Adopted on: n/a

Board secretary's affirmation of official board  
action adopting this policy:

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Secretary

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### **Policy Type: Executive Limitations**

#### **Policy Title: 2.7. Compensation and Benefits**

- With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  1. Change the CEO's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees
  2. Promise or imply permanent or guaranteed employment
  3. Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed
  4. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue
  5. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that
    - 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 previous plan
  6. Establish any self funded benefits plan

## Policy of the Board of Three Cedars School

Adoption Date: 17 August 2010

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 28 April 2008

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Secretary

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### **Policy Type: Executive Limitations**

#### **Policy Title: 2.8. Communication and Support to the Board**

- The CEO shall not cause or allow the board to be uninformed or unsupported in its work.
- Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not
  1. Neglect to submit monitoring data required by the board (see policy 3.4 on monitoring CEO performance) in a timely, accurate, and understandable fashion, directly addressing the provisions of board policies being monitored
  2. Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the board
  3. Neglect to submit unbiased decision information required periodically by the board or let the board be unaware of relevant trends
  4. Let the board be unaware of any significant incidental information it requires, including financial reports on a quarterly basis, enrollment, fundraising and teacher recruiting updates, anticipated media coverage, threatened or pending lawsuits, contemplated major transactions, material internal and external changes and requests from non-staff members for access to board documents including, but not limited to, policies, bylaws, articles and minutes.
  5. Fail to advise the board if, in the CEO's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the CEO
  6. 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 incidental
  7. Fail to provide a workable mechanism for official board, officer, or committee communications

8. Fail, when addressing official business, to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board
9. Fail to supply for the board's consent agenda, along with applicable monitoring information, all decisions delegated to the CEO yet required by law, regulation, or contract to be board-approved
10. Fail to attend board meetings to the extent the CEO's scheduling allows
11. Fail to engage an experienced Policy Governance Academy graduate to assist the CEO in holding up his/her half of the Policy Governance system, including but not limited to assistance in preparing consent agenda items and monitoring reports that are technically compliant with Policy Governance principles and compliance with Policy 2.8.5
12. Fail, from August 1, 2012, to maintain a reserve of \$30,000 for the board's use in recruiting its next interim and/or regular CEO

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: n/a

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Secretary

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**Policy Type: Board-Management Delegation**

**Policy Title: 3. Global Governance-Management Connection**

- The board's sole official connection to the operational organization, its achievements, and its conduct will be through a chief executive officer, titled Executive Director.



## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Replaces Policy Adopted on: n/a

Board secretary's affirmation of official board  
action adopting this policy:

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Secretary

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### **Policy Type: Board-Management Delegation**

#### **Policy Title: 3.1. Unity of Control**

- Only officially passed motions of the board are binding on the CEO.
- Accordingly:
  1. Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such exercise of authority.
  2. In the case of board members or committees requesting information or assistance without board 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.

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: n/a

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Secretary

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### **Policy Type: Board-Management Delegation**

#### **Policy Title: 3.2. Accountability of the CEO**

- The CEO is the board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.
- Accordingly:
  1. The board will never give instructions to persons who report directly or indirectly to the CEO.
  2. The board will not evaluate, either formally or informally, any staff other than the CEO.
  3. The board will view CEO performance as identical to organizational performance so that organizational accomplishment of board-stated ends and avoidance of board-proscribed means will be viewed as successful CEO performance.

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: n/a

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Secretary

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### **Policy Type: Board-Management Delegation**

#### **Policy Title: 3.3. Delegation to the CEO**

- The board 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 policies.
- Accordingly:
  1. The board will develop policies instructing the CEO to achieve specified results for specified recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
  2. The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The board will never prescribe organizational means delegated to the CEO.
  3. As long as the CEO uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the board.
  4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and CEO domains. By doing so, the board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the board will respect and support the CEO's choices.

## Policy of the Board of Three Cedars School

Adoption Date: 16 June 2008

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 28 March 2006

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Secretary

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### **Policy Type: Board-Management Delegation**

#### **Policy Title: 3.4. Monitoring CEO Performance**

- Systematic and rigorous monitoring of CEO job performance will be solely against the only expected CEO job outputs: organizational accomplishment of board policies on ends and organizational operation within the boundaries established in board policies on Executive Limitations.
- Accordingly:
  1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring information.
  2. The board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the CEO discloses interpretations and compliance information to the board; (b) by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies; or (c) by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
  3. In every case, the board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
  4. In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the board policy being monitored. The board is the 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 as a whole.

5. All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method but will ordinarily depend on a routine schedule.

<b>Policy</b>	<b>Method</b>	<b>Frequency</b>	<b>Month</b>
Ends	Internal	Annually	Jan.
2. Global Executive Constraint	Internal	Annually	Mar.
2.1 Treatment of Consumers	Internal	Annually	Dec.
2.2 Treatment of Staff	Internal	Annually	Jun.
2.3 Financial Condition and Activities	Internal	Quarterly	Feb., May, Aug., Nov.
	External	Annually	Oct.
2.4 Financial Planning and Budgeting	Internal	Quarterly	Feb., May, Aug., Nov.
2.5 Emergency CEO Succession	Internal	Annually	Oct.
2.6 Asset Protection	Internal	Annually	Sep.
2.7 Compensation and Benefits	Internal	Annually	Apr.
	External	Biannually	Sep.
2.8 Communication and Support	Direct inspection	Annually	Dec.

## Policy of the Board of Three Cedars School

Adoption Date: 12 February 2010

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 15 January 2009

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Secretary

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### **Policy Type: Board Management Delegation**

#### **Policy Title: 3.5 CEO Employment**

The board's sole employee is the Executive Director.

Accordingly,

1. The Executive Director is Briana Bennitt, for an indefinite term of service.
2. CEO compensation shall be competitive with the national Waldorf school market.

Accordingly:

- A. The CEO's remuneration package will include the same tuition remission and other benefits as provided to other full-time employees, for the duration of the CEO's employment at Three Cedars.
  - B. The CEO's salary shall be [...] per annum effective August 1, 2008.
    1. Base salary shall be increased annually by the CPI inflation rate for the Seattle area as published by the Bureau of Labor Statistics, except in FY 2010-2011.
      - a. The CEO's salary shall be [...] for FY 2009-2010.
      - b. The CEO's salary shall be [...] for FY 2010-2011.
  - C. Deleted
  - D. The salary will be benchmarked to market rate every 3 years commencing in 2009.
3. In order not to constrain the hiring/firing options of the board (due to potential negative effects on the school community), the CEO shall not be a family member or close associate of any other employee of the corporation.

## Policy of the Board of Three Cedars School

Adoption Date: 06 November 2008

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 October 2007

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Secretary

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### **Policy Type: Governance Process**

### **Policy Title: 4. Global Governance Commitment**

- The moral owners of Three Cedars School are people who believe that, through the education of children, necessary social transformation and renewal are possible and will occur, and that methods of effecting change will continually evolve.
- The purpose of the board, on behalf of those moral owners is to see to it that Three Cedars Waldorf School (a) achieves appropriate results for appropriate persons at appropriate priority or cost (as specified in board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies).

## Policy of the Board of Three Cedars School

Adoption Date: 10 December 2009

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 November 2005

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Secretary

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### **Policy Type: Governance Process**

#### **Policy Title: 4.1. Governing Style**

- The board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.
- Accordingly:
  1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.
  2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
  3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force.
    - A. The board recognizes that governing with excellence includes maintaining an awareness of evolving governance theories and practices and commits itself to periodic review of its processes. Although this goes without saying,



the board wishes to make clear that it does not recognize the authority of any third party to impose governance practices upon the organization, with the exception of those required by law.

4. Continual board development will include orientation of new board members in the board's Governance Process and periodic board discussion of process improvement.
5. The board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling group obligations.
6. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

## Policy of the Board of Three Cedars School

Adoption Date: 13 February 2007

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 November 2005

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Secretary

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### **Policy Type: Governance Process**

### **Policy Title: 4.2. Board Job Products**

- Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.
- Accordingly, the board has direct responsibility to
  1. Create
    - a. The linkage between the ownership and the operational organization
    - b. Written governing policies that realistically address the broadest levels of all organizational decisions and situations
      - 1.. Ends: organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost)
      - 2.. Executive limitations: constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place
      - 3.. Governance process: specification of how the board conceives, carries out, and monitors its own task
      - 4.. Board-management delegation: how power is delegated and its proper use; the CEO's role, authority, and accountability
    - c. Assurance of successful organizational performance on Ends and Executive Limitations.

## Policy of the Board of Three Cedars School

Adoption Date: 17 August 2010

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 3 August 2010

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Secretary

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### **Policy Type: Governance Process**

### **Policy Title: 4.3. Agenda Planning**

- To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (a) completes a re-exploration of each policy annually and (b) continually improves board performance through board education and enriched input and deliberation
1. The cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term ends.
  2. The cycle will start with the board's development of its agenda for the next year.
    - A. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be determined and arranged in the first quarter of the board cycle, to be held during the balance of the year.
      1. Consultations will include no less than one meeting per school year with administration and faculty in order to obtain values input, especially about organizational Ends, from those employees who hold a moral ownership interest in the organization
      2. Consultations will include no less than one meeting per school year with students' parents in order to obtain values input, especially about organizational Ends, from those students' parents who hold a moral ownership interest in the organization
    - B. Governance education and education related to ends determination (presentations by futurists, demographers, advocacy groups, staff, and so on) will be arranged in the first quarter of the board cycle, to be held during the balance of the year.
    - C. A board member may recommend or request an item for board discussion by submitting the item to the CGO.

- D. The CGO will provide the meeting agenda to the Corporate Secretary for distribution 3 days before the board meeting.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
  4. CEO monitoring will be included on the agenda if reports have been received since the previous meeting that were not approved by unanimous written consent, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.
  5. CEO remuneration for the upcoming fiscal year will be decided during the month of January.
  6. A review of a summary of the previous twelve month's monitoring reports will occur during the month of September.
  7. The board will appoint a CPA, normally during the month of August, to perform an audit of the financial statements for the fiscal year ending July 31st, as incidental information for the board.
    - A. The CPA firm of Peterson-Sullivan is appointed to perform and present an audit of the financial statements of FY 2008-2009.
    - B. The CPA firm of Peterson-Sullivan is appointed to perform and present an audit of the financial statements of FY 2009-2010.

## Policy of the Board of Three Cedars School

Adoption Date: 23 April 2007

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 13 February 2007

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Secretary

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### **Policy Type: Governance Process**

#### **Policy Title: 4.4. Chief Governance Officer's Role**

- The chief governance officer (CGO), a specially empowered member of the board, ensures the integrity and fulfillment of the board's process and, secondarily, occasionally represents the board to outside parties.
- Accordingly:
  1. The assigned result of the CGO's job is that the board behaves consistently with its own rules and those legitimately imposed on it from outside the organization.
    - A. Meeting discussion content will consist solely of issues that clearly belong to the board to decide or to monitor according to board policy.
    - B. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
    - C. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
    - D. Ensure that meetings are announced and held on a regular basis.
  2. The authority of the CGO consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of a CEO and (b) areas where the board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.
    - A. The CGO is empowered to chair board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
    - B. The CGO has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the CEO.

- C. The CGO may represent the board to outside parties in announcing board-stated positions, including, but not limited to, policies, bylaws, articles and minutes, and in stating chair decisions and interpretations within the area delegated to her or him.
- D. The CGO may delegate this authority but remains accountable for its use.

## Policy of the Board of Three Cedars School

Adoption Date: 10 January 2005

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 November 2005

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Secretary

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### **Policy Type: Governance Process**

### **Policy Title: 4.5. Board Members' Code of Conduct**

- The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.
- 1. Members must demonstrate loyalty to the ownership, unconflicted by loyalties to staff, other organizations, or any personal interests as consumers. Members will not be paid employees of the organization or be family members of paid employees of the organization.
- 2. Members must avoid conflict of interest with respect to their fiduciary responsibility. A conflict of interest is always present whenever the corporation pays money or other compensation, or provides any tangible benefits, to an officer or member of the Board or to a member of a director's or officer's family.
  - A. All transactions involving conflicts of interest must be approved using the following procedures:
    - 1. Conflict of interest transactions must be approved by the full Board of Trustees; they cannot be approved by staff, the executive director, or by a committee.
    - 2. Trustees and officers who have a conflict of interest in any matter must
      - a) declare the existence of any direct or indirect conflict of interest, b) disclose its nature on the record, and c) absent themselves without comment not only from the vote but also from the deliberation. The minutes must record this to show that it was done.
    - 3. The rest of the Board must analyze the transaction and sufficient information to ensure that all transactions involving a conflict of interest are fair to the corporation and that no special benefits are being given to

any person. The information relied upon by the Board, and its source, must be recorded in the minutes.

4. All conflict of interest transactions must be approved by the affirmative vote of a majority of all members of the Board of Trustees who do not have a conflict of interest involved in that issue, as long as no less than two disinterested Trustees vote to approve the transaction.
- B. Members will annually disclose, in writing, their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
- C. Board members will not use their board position to obtain paid employment (including contracted employment) in the organization for themselves, family members, or close associates. A board member must resign before (a) applying for paid employment in the organization or (b) a family member's application for paid employment in the organization will be considered.
3. Board members may not attempt to exercise individual authority over the organization.
  - A. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the board.
  - B. Members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
  - C. Except for participation in board deliberation about whether the CEO has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of paid or volunteer employees or the CEO.
4. Members will respect the confidentiality appropriate to issues of a sensitive nature.
5. Members will be properly prepared for board deliberation.
6. Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member's personal position on the issue.



## Policy of the Board of Three Cedars School

Adoption Date: 10 January 2006

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 08 November 2005

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Secretary

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### **Policy Type: Governance Process**

#### **Policy Title: 4.6. Board Committee Principles**

- Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to CEO.
- Accordingly:
  1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
  2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.
  3. Board committees cannot exercise authority over staff. Because the CEO works for the full board, he or she will not be required to obtain the approval of a board committee before an executive action.
  4. Board committees are to avoid overidentification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.
  5. Committees will be used sparingly and ordinarily in an ad hoc capacity.
  6. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the CEO.

7. The Board Members Code of Conduct (policy 4.5) applies to each member of each Board committee.

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Replaces Policy Adopted on: n/a

Board secretary's affirmation of official board  
action adopting this policy:

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Secretary

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### **Policy Type: Governance Process**

### **Policy Title: 4.7. Board Committee Structure**

- A committee is a board committee only if its existence and charge come from the board, regardless of whether board members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

## Policy of the Board of Three Cedars School

Adoption Date: 25 July 2010

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 14 September 2009

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Secretary

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### **Policy Type: Governance Process**

### **Policy Title: 4.8. Governance Investment**

- Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.
- Accordingly:
  1. Board skills, methods, and supports will be sufficient to ensure governing with excellence.
    - A. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
    - B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance.
    - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
  2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
    - A. Up to \$ 13,000.00 in fiscal year 2010-11 for training, including attendance at conferences and workshops, and including training in governance-related skills for the Executive Director.
    - B. Up to \$ 12,000.00 in fiscal year 2010-11 for auditing and third-party monitoring of organizational performance.
    - C. Up to \$ 2,000.00 in fiscal year 2010-11 for surveys, focus groups, opinion analyses, and meeting costs.
    - D. Up to \$ 14,500.00 in fiscal year 2010-11 for general Board expenses including legal, recruitment and administrative costs.

3. The board will establish its cost of governance budget for the next fiscal year during the month of March.

## Policy of the Board of Three Cedars School

Adoption Date: 29 January 2009

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: 17 July 2007

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Secretary

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### **Policy Type: Governance Process**

#### **Policy Title: 4.9. Secretary's Role**

- Pursuant to the Bylaws of the organization, the Secretary is responsible for ensuring the integrity of the board's documents.
- Accordingly:
  1. The assigned result of the secretary's job is to see to it that all board documents and filings are accurate and timely.
    - A. Policies will be current in their reflection of board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions and motions to adjourn need not be included in the policy manual.
    - B. The board and CEO will be familiar with the bylaws, especially those elements needed for legal compliance and for consistency with the principles of Policy Governance.
    - C. All notices required by law or bylaw will be duly issued.
    - D. Minutes in accordance with the board's requirements for format, brevity and accuracy will be produced promptly after board meetings and board committee meetings, and kept safe in perpetuity. All actions-without-meeting are to be filed with the minutes.
    - E. The register of each board member's and each officer's mailing address and other necessary personal information, will be complete and current.
    - F. Board member disclosures and declarations, e.g. with respect to conflicts of interest, permission to receive notice by email, etc., will be current, and historical copies maintained in perpetuity.

- G. The historical roster of board members and officers that includes their names and service commencement, re-election and termination dates will be complete and current.
  - H. Revised policies and operating resolutions will be brought to the attention of the CEO and others at interest promptly.
  - I. Requests for certificates of secretary will be answered promptly.
  - J. All correspondence to and from the CGO/board will be maintained in perpetuity.
  - K. All substantive correspondence among board members, e.g. meeting agendas, will be maintained in perpetuity.
  - L. All Articles of Incorporation, Bylaws and related official documents, past and current, will be maintained in perpetuity.
  - M. Board records are backed up to the extent practical.
2. The authority of the secretary is access to and control over board documents, and the use of staff time not to exceed 12 hours per year.
- A. The Secretary may delegate his/her authority but remains accountable for its use.

## Policy of the Board of Three Cedars School

Adoption Date: 08 November 2005

Board secretary's affirmation of official board  
action adopting this policy:

Replaces Policy Adopted on: n/a

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Secretary

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### **Policy Type: Governance Process**

#### **Policy Title: 4.10. Rules of Order**

- Board meetings will be conducted in an orderly, effective process, led and defined by the chair.
- Accordingly:
  1. All by-law obligations respecting board meetings must be satisfied.
  2. Board meetings shall be called to order at the time specified in the notice of meeting (or as pre-arranged) and upon satisfaction of quorum.
  3. Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
  4. Board members must keep their comments relevant to the issue under consideration.
  5. Board meetings will be conducted at a level of informality considered appropriate by the chair, including that discussion of a matter may occur prior to a proposal that action be taken on any given subject.
  6. Proposals that the board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a board member, discussed, and then voted on. Motions do not require a second to proceed to discussion and subsequent vote.
    - A. The chair of the board may, to the same extent as any board member, make motions, engage in debate, and vote on any matter to be decided.
    - B. A motion to amend a main motion may be amended but third level amendments are out of order.



- C. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, and if carried shall set the main motion (the initial proposal) aside accordingly.
- 7. Board members may speak to a pending motion on as many occasions, and at such length, as the chair may reasonably allow.
- 8. A vote on a motion shall be taken when discussion ends but any board member may, during the course of debate, move for an immediate vote (close debate) which, if carried, shall end discussion and the vote on the main motion shall then be taken.
- 9. A majority vote will decide all motions before the board excepting those matters in the by-laws or articles of association (constitution) which oblige a higher level of approval.
- 10. A motion to adjourn a board meeting may be offered by any board member or, on the conclusion of all business, adjournment of the meeting may be declared by the chair.
- 11. When further rules or order are to be developed by the board, the board will consider the Standard Code of Parliamentary Procedure, as a resource guide.