

# **TABLE OF CONTENTS**

	<u>page number</u>
<b><i>SECTION I: ENDS POLICIES</i></b>	
Ends Statement - Vision, Mission, Goals & Values	2
<b><i>SECTION II: GOVERNANCE PROCESS POLICIES</i></b>	
Governing Style	3
Board Members' Code of Conduct	4
Board Job Description	5
Chairperson's Role	6
Board Committee Principles	7
Annual Board Planning Cycle	8
Meetings	9
Recognition of Distinguished Service	11
<b><i>SECTION III: BOARD-PRESIDENT RELATIONSHIP POLICIES</i></b>	
President's Job Description	13
Delegation to the President	14
Monitoring Executive Performance	15
<b><i>SECTION IV: EXECUTIVE LIMITATIONS POLICIES</i></b>	
Communication and Counsel to the Board	16
Staff Treatment	17
Compensation and Benefits	18
Budgeting	19
Financial Condition	20
Asset Protection	21
Emergency Executive Succession	22

**POLICY TYPE: ENDS**

**POLICY TITLE: ENDS STATEMENTS**

**THE VISION**

Community inspiration. Exceptional education. Personal empowerment.

**THE MISSION**

Transforming lives through quality education.

**THE VALUES**

**S**tudent Success

**E**mpowerment

**R**elationships

**V**isionary

**I**nclusion

**C**ommunity

**E**xcellence

*It is the policy and practice of Montcalm Community College to provide equal educational and employment opportunities regardless of race, sex, pregnancy, color, religion, national origin or ancestry, age, marital status, height, weight, disability or veteran status, or genetics in all programs, activities, services, employment and advancement including admissions to, access to, treatment in, or compensation in employment as required by state and federal law. In addition, no person, on the basis of sexual orientation, gender identity, or gender expression shall be discriminated against in educational programs, activities, or admissions. Arrangements can be made to ensure that the lack of English-language skills is not a barrier to admission or participation.*

*Revised 12/03, 11/09, 10/14, 10/17, 07/18, 01/21*

***POLICY TYPE: GOVERNANCE PROCESS***

**POLICY TITLE: GOVERNING STYLE**

The board will approach its task with a style which emphasizes outward vision rather than an internal preoccupation, collective rather than individual decisions, future rather than past or present, proactivity rather than reactivity, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, and clear distinction of board and staff roles.

More specifically, the board will:

1. Operate in all ways mindful of its civic trusteeship obligation to those who own the organization.
2. Enforce upon itself whatever discipline is needed to govern with excellence.
3. Direct, control and inspire the organization through the careful establishment of written policies that recognize organizational values and perspectives.
4. Focus chiefly on intended long-term impacts on the world outside the organization (ends), not on the administrative or programmatic means of attaining those effects.
5. Be an initiator of policy, not merely a reactor to staff initiatives. The board will be responsible for board performance.
6. Use the expertise of individual members to enhance the performance of the board as a body, rather than to substitute their individual values for the group's values.
7. Monitor and regularly discuss the board's own process and performance. Assure the continuity of its governance capability by training and development.
  - A. Monitoring of the chairperson and self-monitoring of the board will include an annual comparison of board activity and discipline to its governance process and board-staff relationship policies.
  - B. Continual development will include orientation of new members to the institution and to the board's governance process and periodic board discussion of process improvement.
  - C. Board members are reimbursed for expenses incurred in the performance of their duties. Accordingly, board members' expenses will be reviewed annually at the fall retreat.
  - D. The board will annually review memberships.
8. Be accountable to the general public for competent, conscientious and effective accomplishment of its obligations as a body. It will allow no officer, individual or committee of the board to usurp this role or hinder this commitment.

***POLICY TYPE: GOVERNANCE PROCESS***

**POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT**

The board expects of itself and its members ethical and businesslike conduct. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as board members.

1. Board members must represent unconflicted loyalty to the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. This accountability supersedes the personal interest of any board member acting as an individual consumer of the organization's services.
2. Board members must avoid any conflict of interest with respect to their fiduciary responsibility.
  - A. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to inside information.
  - B. Board members must not use their positions to obtain employment in the organization for themselves, family members or close associates.
  - C. Should a board member be considered for employment, he or she must temporarily withdraw from board deliberation, voting and access to applicable board information regarding that item.
  - D. Should a board member become a paid employee of the college, he or she must withdraw from the board.
3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.
  - A. Board members' interaction with the president or with staff must recognize the lack of authority in any individual board member or group of board members except as noted above.
  - B. Board members' interaction with the public, press or other entities must recognize the same limitation and the similar inability of any board member or board members to speak for the board.
  - C. Board members will make no judgments of the president's or staff's performance except as that performance is assessed against explicit board policies by the official process.
4. Board members shall maintain confidentiality of privileged information, including all information discussed in closed or executive session meetings.
5. The board shall maintain a nondiscriminating, caring, harmonious, honest and cooperative atmosphere in all activities.

***POLICY TYPE: GOVERNANCE PROCESS***  
**POLICY TITLE: BOARD JOB DESCRIPTION**

The job of the board is to make certain contributions which lead the organization toward the desired performance and assure that it occurs. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management.

Consequently, the products or job contributions of the board shall be:

1. The link between the organization and its ownership.
2. Written governing policies which, at the broadest levels, address:
  - A. Ends: Organizational products, impacts, benefits, outcomes (what good, for which needs, at what cost).
  - B. Executive Limitations: Constraints on executive authority which establish the prudence and ethics boundaries and recognize legal boundaries within which all executive activity and decisions must take place.
  - C. Governance Process: Specification of how the board conceives, carries out and monitors its own task.
  - D. Board-President Relationship: How power is delegated and its proper use monitored.
3. The assurance of the president's performance (against policies in 2A and 2B).
4. Legislative impact.
5. Fundraising and resource development.
6. Secure an external assessment of the college's internal control structure and procedures for financial reporting.
  - A. The administration will solicit proposals from qualified audit firms and make a recommendation to the board for their consideration prior to the May meeting. At the minimum, this should occur once every five years.

*Revised 10/04, 05/21*

***POLICY TYPE: GOVERNANCE PROCESS***  
**POLICY TITLE: CHAIRPERSON'S ROLE**

The job product of the chairperson is, primarily, the integrity of the board's process and, secondarily, occasional representation of the board to outside parties. The chairperson is the only board member authorized to speak for the board (beyond simply reporting board events) other than in rare and specifically authorized instances.

1. The job output of the chairperson is that the board behaves consistent with its own governance process and board-staff relationship policies and those legitimately imposed upon it from outside the organization.
  - A. Meeting discussion content will only be those issues which, according to board policy, clearly belong to the board to decide, not the president.
  - B. Deliberation will be fair, open and thorough, but also efficient, timely, orderly and kept to the point.
2. The authority of the chairperson consists in making decisions on behalf of the board. This authority extends to all decisions which fall within and are consistent with any reasonable interpretation of board policies on governance process and on the board-president relationship, except where the board specifically delegates portions of this authority to others.
  - A. The chairperson is empowered to chair board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).
  - B. The chairperson has no authority to make decisions about policies created by the board within Ends and Executive Limitations policies. Therefore, the chairperson has no authority to supervise or direct the president.
  - C. The chairperson may represent the board to outside parties in announcing board-stated positions and in stating chairperson's decisions and interpretations within the area delegated to him or her.
  - D. The chairperson is responsible for board discipline.

***POLICY TYPE: GOVERNANCE PROCESS***

**POLICY TITLE: BOARD COMMITTEE PRINCIPLES**

The board may establish committees to help carry out its responsibilities. To preserve board unity, committees will be used sparingly. Committees will be used so as to minimally interfere with the wholeness of the board's job, and so as never to interfere with delegation from board to president.

1. 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 president.
2. Board committees are to help the board do its job, not to help or advise the staff in doing its job. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation.
3. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee which has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.
4. Board committees cannot exercise authority over staff. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations. Because the president works for the full board, he or she will not be required to obtain approval of a board committee before an executive action, unless such approval is established at the time the committee is formed or later enacted by the board.
5. This policy applies only to committees that are formed by board action, whether or not the committees include non-board members. It does not apply to committees formed under the authority of the president.
6. A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee.
7. The board shall have one standing committee, the Audit Committee. The Audit Committee shall consist of three trustees who each serve staggered three-year terms. Membership shall be rotated among all trustees. The committee shall recommend audit policies and procedures to the board for its review and consideration, including the following:
  - A. The appointment, compensation and oversight of the work of any certified public accounting firm employed by the college.
  - B. Establishment of procedures for:
    - i. The receipt, retention and treatment of complaints received by the college regarding accounting, internal controls and auditing matters.
    - ii. The confidential, anonymous submission by employees regarding questionable accounting or auditing matters.

*Revised 5/04, 10/04, 5/09*

***POLICY TYPE: GOVERNANCE PROCESS***

**POLICY TITLE: ANNUAL BOARD PLANNING CYCLE**

To accomplish its job outputs with a governance style consistent with board policies, the board will follow an annual agenda which completes a re-exploration of ends policies at the fall retreat and continually improves its performance through attention to board education and to enriched input and deliberation.

1. In early fall, the board will begin planning for the fiscal year which begins the following July 1.
2. By early winter, the board will complete its planning for the coming fiscal year and will forward this information to the president for use in administrative planning and budgeting.



***POLICY TYPE: GOVERNANCE PROCESS***

**POLICY TITLE: MEETINGS**

The board will conduct its meetings consistent with state law and at such time and place, and in such a manner as it may deem appropriate.

1. Regular meetings of the board shall be held on the appointed time and day and place designated by resolution of the board, and that notice shall be provided in accordance with PA 267 of 1976.
2. Special meetings of the board may be called by the chairperson, or any two board members, by serving on the other members a written notice of the day, time and place of such special meetings and in compliance with PA 267 of 1976 (Sections 4 and 5) and at least 30 hours prior to said meeting time.
3. The agenda for regular board meetings shall be as follows: I. Call to Order, II. Roll Call, III. Approval of Minutes of Last Meeting(s), IV. Financial Reports, V. Public Comment, VI. Approval of Remaining Items and Order of Consideration, VII. Report of the President, VIII. Unfinished Business, IX. New Business, X. Miscellaneous, XI. Adjournment
4. The board shall solicit the advice and counsel of citizens in planning and operating the college. Meetings of the board shall be open to the public. All citizen communications to the board shall be addressed to the board. Citizens who wish to present any matter of concern to the college are requested to make written request identifying the topic to the secretary of the board at least 24 hours prior to the meeting. This shall come under agenda item V. Public Comment. The chairperson shall allot a visitor, at the appropriate time, not more than five minutes unless the time is increased or decreased by the majority of the board.
5. Any legal meeting of the board may be adjourned to a specific time and place in accordance with the Open Meetings Act, Paragraph 5, Section 5, of PA 267 of 1976. Only issues on the agenda of the meeting adjourned may be acted upon at the adjourned meeting.
6. The board shall conduct business according to the procedure for small boards outlined in Robert's Rules of Order, newly revised, which provides:
  - Members are not required to obtain the floor before speaking which they can do while seated.
  - Motions need not be seconded.
  - There is no limit to the number of times a member can speak to a question, and motions to limit or close debate generally should not be entertained.
  - Informal discussion of a subject is permitted while no motion is pending. Sometimes, when a proposal is perfectly clear to all present, a vote can be taken without a motion having been introduced. Unless agreed to by unanimous consent; however, all proposed actions of a board must be approved by vote.
  - The chairperson need not rise while putting questions to vote.
  - The chairperson can speak in discussion without rising or leaving the chair; and may make motions and vote on all questions.
7. The Michigan Community College Act requires a majority of the members of the board to open a meeting and at least a majority of the board to support actions on behalf of the college.
8. The chairperson shall stop any discussion that does not apply to the motion last made. He/She may also stop the discussion of a matter if the board has previously agreed to confine discussion to a definite period of time, and that period has been used up. Aside from such limitations, the chairperson shall not interfere with debate as long as a member wishes to speak. Discussions by board members

shall be made to the entire board in audible voice. The chairperson shall ask for discussion of motions before proceeding to call the vote.

9. A motion shall be reduced to writing at the request of any member of the board. When a motion has been made, the same may be withdrawn by the movant at any time before the vote has been taken. A new motion is out of order while another motion is being discussed unless it is an amendment to or a substitute for the motion under consideration. Exceptions are that the motion to adjourn, motion to table a previous motion, motion to refer the motion being discussed, and the motion to vote immediately (on the previous question) are always in order.
10. Minutes of all the proceedings of the board at the previous meeting(s) shall be prepared by the secretary and mailed, or delivered, to the members at least 48 hours before the time of the next regular meeting. The minutes of the preceding meeting(s) shall be approved by the board as the first act of the regular meeting. A copy of all motions shall be carefully recorded. The names of those who make motions and those who vote yeas and nays shall be recorded. Minutes shall show both the original entry and the corrections. The minutes will include all resolutions, policies, and references to documents on file approved by the board. The official minutes shall be bound and kept in the administrative offices of the college. Records of the board shall be available to citizens for inspection at the offices of the board in accordance with legal requirements.
11. Policies may be revised, added to, or amended at a regular meeting of the board by a majority vote of the members provided that the revision, addition, or amendment has been presented during at least one previous board meeting. The board shall meet as a committee of the whole at the fall retreat to review and appraise existing policies. The operation of any section or sections of these policies, not established by law, may be suspended by a majority vote of the board at a regular or special meeting. The board shall publish any revisions, additions, amendments, or deletions to these policies.
12. An annual audit of all financial records of the community college district is required by law (Section 143, 3, P A 331 of 1966). The board shall annually appoint a competent auditor to conduct such an audit. The president will complete an annual review of the audit services by the appointed firm. The president will make a recommendation to the board at its regular April meeting to continue the firm for another year, or to make a change.
13. Appointment of Legal Counsel
  - A. Appointment of any legal counsel will be made by the board.
  - B. The administration will complete an annual review of the legal services of the appointed firms. The president will make a recommendation to the board prior to the June meeting whether to continue the firm for another year or to make a change.

***POLICY TYPE: GOVERNANCE PROCESS***

**POLICY TITLE: RECOGNITION OF DISTINGUISHED SERVICE**

Montcalm Community College encourages the recognition of individuals and organizations that have made significant contribution to the college in their career field, or have supported the college by action or deed. Such recognition shall include but not be limited to bestowing of the Distinguished Service Award, the naming of a physical facility or a component thereof, or the granting of an honorary degree or emeritus status and shall not consist of any monetary payment or special status beyond the aforementioned recognitions.

Distinguished Service Award: The Stanley & Blanche Ash Distinguished Service Award may be awarded annually. The award will be presented to an individual or organization that, through a sense of purpose, community concern and leadership, has helped MCC serve the people of this area.

Naming of a Physical Facility or Component Thereof

1. General naming provisions

- A. Recommendations for any naming request shall be submitted in writing by the President to the Board of Trustees for its consideration in accordance with the guidelines in this policy.
- B. The board has final authority to approve or reject naming recommendations.
- C. Individuals, families and organizations may be eligible for naming recognition.
- D. Facilities are defined as fields, buildings, parts of buildings (including lobbies, classrooms, laboratories and conference/study rooms), grounds, or other permanent areas or significant components of the college.

1. Naming for an individual or organization: To be eligible for naming recognition, an individual or organization must have provided MCC with distinctive service or support coupled with a financial gift.

2. Naming in recognition of financial support

- A. Financial support: The donor shall have donated the largest percentage of the total cost of the construction, renovation and/or equipment value of the physical facility or component of the facility that is named in the donor's honor or in honor of a person designated by the donor.
- B. Limitations: Naming shall not be recommended nor shall a facility continue to be named that calls into serious question the public respect or reputation of the college.

Granting of an Honorary Degree

1. Eligibility: Individuals who have performed exemplary service on behalf of MCC through volunteer, civic or other meritorious efforts shall be eligible to be nominated for an honorary degree. The President shall bring forward to the Board of Trustees nominations for honorary degrees.

2. Limitations: A person granted an honorary degree shall not be entitled to receive monetary compensation or other benefits or privileges by reason of the degree bestowed upon them.

Emeritus Status: The title emeritus will be granted by the board to each member upon leaving the board if the member has served as least one full six-year term. Privileges include

acknowledgement at, written invitation to, and reserved seating for the annual Commencement ceremony; invitation to appropriate staff gatherings; and inclusion on appropriate mailing lists.

Other Types of Recognition: From time to time, there may be other recognition opportunities that are not tied to the naming of a facility, related to the bestowing of the Distinguished Service Award or the granting of an honorary degree or emeritus status. The President shall recommend to the board specific honors or recognitions to be bestowed upon an individual or organization in recognition of extraordinary contributions to the college.

*Revised 10/06, 4/08, 5/12*

***POLICY TYPE: BOARD-PRESIDENT RELATIONSHIP***  
**POLICY TITLE: PRESIDENT'S JOB DESCRIPTION**

As the board's single official link to the operating organization, the president's performance will be considered to be synonymous with organizational performance as a total.

Consequently, the president's job contributions can be stated as performance in only two areas:

1. Organizational accomplishment of the provisions of board policies on ends.
2. Organization operation within the boundaries of prudence and ethics established in board policies on executive limitations.

***POLICY TYPE: BOARD-PRESIDENT RELATIONSHIP***  
**POLICY TITLE: DELEGATION TO THE PRESIDENT**

The president is accountable to the full board. The board will establish the broadest policies, delegating implementation and more detailed policy development to the president.

1. Only decisions of the full board are binding on the president. Decisions or instructions of individual board members, officers, or committees are not binding on the president, except when the board has specifically authorized such exercise of authority.
2. All board authority delegated to staff is delegated through the president, so that all authority and accountability of staff -- as far as the board is concerned -- is considered to be the authority and accountability of the president.
3. Ends policies direct the president to achieve certain results; executive limitations policies constrain the president to act within acceptable boundaries of prudence, legality and ethics. With respect to ends and executive means, the president is authorized to establish all further policies, make all decisions, take all actions and develop all activities as long as they are consistent with any reasonable interpretation of the board's policies.
4. The board may change its ends and executive limitation policies, thereby shifting the boundary between board and president domains. By so doing, the board changes the latitude of choice given to the president. But so long as any particular delegation is in place, the board and its members will respect and support the president's choices. This does not prevent the board from obtaining information in the delegated areas, except legally restricted data.
5. Information or assistance may be requested by individual board members, officers, or committees, but if such request -- in the president's judgment -- requires a material amount of staff time or funds or is disruptive, it may be refused.
6. In accordance with section 124 of the Community College Act, P.A. 331 of 1966, as amended, the board delegates to the president the board's authority to:
  - A. Select and employ personnel of the community college, except in the positions of chief academic officer and chief business officer.
  - B. Pay claims and demands against the community college.
  - C. Purchase, lease or otherwise acquire personal property for the community college.
  - D. Invest community college funds.
  - E. Subject to terms and conditions established by the board, accept contributions, capital grants, gifts, donations, services or other financial assistance from any public or private entity.

*Revised 3/10/98, 6/11/02*

***POLICY TYPE: BOARD-PRESIDENT RELATIONSHIP***  
**POLICY TITLE: MONITORING EXECUTIVE PERFORMANCE**

Monitoring executive performance is synonymous with monitoring organizational performance against board policies on ends and on executive limitations. Any evaluation of the president's performance, formal or informal, may be derived only from these monitoring data.

1. The purpose of monitoring is simply to determine the degree to which board policies are being fulfilled. Information that does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of board time so that meetings can be used to create the future rather than to review the past.
2. A given policy may be monitored in one or more of three ways:
  - A. Internal report: Disclosure of compliance information to the board from the president.
  - B. External report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the board. Such reports must assess executive performance only against policies of the board, not those of the external party unless the board has previously indicated that party's opinion to be the standard.
  - C. Direct board inspection: Discovery of compliance information by a board member, a committee or the board as a whole. This is a board inspection of documents, activities or circumstances directed by the board that allows a prudent-person test of policy compliance.
3. Upon the choice of the board, any policy can be monitored by any method at any time.
4. Executive limitations: The president will report at least once annually to the board on each item listed under general executive constraints.
5. Organizational performance and board policies on ends: The board will annually consider organizational performance against board policies on ends including annual institutional plans.

*Revised 11/12/19*

***POLICY TYPE: EXECUTIVE LIMITATIONS***

**POLICY TITLE: COMMUNICATION AND COUNSEL TO THE BOARD**

With respect to providing information and counsel to the board, the president may not permit the board to be uninformed.

Accordingly, he or she may not:

1. Let the board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.
2. Fail to submit the required monitoring data (see the policy on monitoring executive performance) in a timely, accurate and understandable fashion, directly addressing provisions of the board policies being monitored.
3. Fail to marshal for the board as many staff and external points of view, issues and options as needed for fully informed board choices.
4. Present information in unnecessarily complex or lengthy form.
5. Fail to provide a mechanism for official board, officer or committee communications.
6. Fail 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.
7. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.



***POLICY TYPE: EXECUTIVE LIMITATIONS***  
**POLICY TITLE: STAFF TREATMENT**

With respect to treatment of paid and volunteer staff, the president may not cause or allow conditions that are arbitrary or capricious.

Accordingly, he or she may not:

1. Operate without personnel procedures that clarify personnel rules for staff, provide for effective handling of grievances, and protect against improper implementation of personnel rules.
2. Discriminate against any staff member for expressing an ethical or professional dissent in an appropriate manner.
3. Prevent staff from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the employee alleges that board policy has been violated to his or her detriment.
4. Fail to acquaint staff with their rights under this policy.
5. Act in any manner inconsistent with the following:
  - A. The board reaffirms its position and holds to an unchanging philosophy of equal employment for everyone. The college has established, since its inception, a policy of recruitment, employment, advancement and upgrading, based solely on qualifications. All Montcalm Community College personnel actions, programs, practices, and benefits have been, and will continue to be, administered according to this policy and philosophy. The implementation of this policy includes the establishment of an Office of Equal Employment Opportunity and the Anti-Discrimination Judicial Board to carry out the aforementioned policy and philosophy. A periodic review of realistic goals is an integral part of an Equal Opportunity Plan and will occur to insure continuing equal opportunity for everyone in all matters pertaining to employment.
  - B. It is the policy of Montcalm Community College to provide an atmosphere of businesslike working conditions and to insure compliance with Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Michigan Handicappers Civil Rights Act, as well as the Elliott-Larsen Civil Rights Act, which prohibits discrimination because of race, color, religion, sex, marital status, height, weight, age, national origin or ancestry, handicap or veteran status in all employment practices, including conditions of employment. Employee conduct, whether intentional or unintentional, that results in the harassment of other employees because of any of the factors described above is illegal and will not be tolerated. Such conduct may result in disciplinary action up to and including discharge.
  - C. As stipulated by the Drug-Free Workplace Act of 1988, Montcalm Community College prohibits the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in the workplace. Employees violating this prohibition will be subject to disciplinary action up to and including discharge. Employees must notify the Personnel Office of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.

*Revised 10/15*

***POLICY TYPE: EXECUTIVE LIMITATIONS***  
**POLICY TITLE: COMPENSATION AND BENEFITS**

The board will be responsible for contracts with each recognized organized bargaining unit. With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the president may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, he or she may not:

1. Change his or her own compensation and benefits.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits which:
  - A. Deviate materially from the geographic or professional market for the skills employed.
  - B. 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 of revenue.
4. Establish or change pension benefits.

***POLICY TYPE: EXECUTIVE LIMITATIONS***

**POLICY TITLE: BUDGETING**

Budgeting is derived from long-term planning. Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate materially from board ends priorities, risk fiscal jeopardy or fail to show a generally acceptable level of foresight.

Accordingly, the president may not cause or allow budgeting which:

1. Contains too little information to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Reduces the current assets at any time to less than twice current liabilities or allows cash to drop below a safety reserve of 10% of annual expenditures.
4. Provides less than \$50,000 per annum for board prerogatives, such as costs of fiscal audit, board development, board and committee meetings, and board legal fees.
5. Infringes on the board's authority to adopt or amend an annual operating budget.
6. Includes tuition and fee revenues at rates that differ from those approved by the board.

***POLICY TYPE: EXECUTIVE LIMITATIONS***  
**POLICY TITLE: FINANCIAL CONDITION**

With respect to the actual, ongoing condition of the organization's financial health, the president may not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in ends policies.

Accordingly, he or she may not:

1. Expend more funds than have been authorized in the fiscal year.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 180 days.
3. Use any long-term reserves.
4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days.
5. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Operate without establishing and maintaining an adequate internal control structure and procedures for financial reporting.
8. Fail to provide the following certification to the board upon completion of an audit: a. He/She has reviewed the annual audit report; b. Based on his/her knowledge, the annual audit report does not contain any untrue statement of a material fact or omission of a material fact necessary in order to make the statements misleading; c. Based on his/her knowledge, the financial statements present, in all material respects, the financial condition and results of operations; d. He/She has established and maintained internal controls, has designed such internal controls to ensure that material information relating to the college is made known to officers and others within the college, has evaluated the effectiveness of internal controls, and has presented in the report his/her conclusions about the effectiveness of his/her internal controls based on his/her evaluation; e. He/She has disclosed to the auditors and the board all significant deficiencies in the design or operation of internal controls that could adversely affect the college's ability to record, process, summarize, and report financial data and have identified for the auditors any material weaknesses in internal controls; f. He/She has indicated in the report whether or not there were significant changes to internal controls or in other factors that could significantly affect internal controls subsequent to the date of his/her evaluation, including any corrective actions.
9. Operate without certifications from the chief financial officer of the college identical to those certifications required of the president in paragraph 8 above.
10. Fail to develop and enforce a code of ethics that addresses the financial integrity and the financial disclosure of the college.
11. Allow for the creation of conflicts of interest or the appearance of conflicts of interest by providing personal loans to senior management.
12. Contract with the board-appointed auditing firm for other non-auditing services without the board's prior approval.

*Revised 10/04*

***POLICY TYPE: EXECUTIVE LIMITATIONS***  
**POLICY TITLE: ASSET PROTECTION**

The president may not allow assets to be unprotected, inadequately maintained nor unnecessarily risked.

Accordingly, he or she may not:

1. Fail to insure against theft and casualty losses to at least 80-percent replacement value and against liability losses to board members, staff or the organization itself in an amount greater than the average for comparable organizations.
2. Allow un-bonded personnel access to material amounts of more than \$2,500 of cash.
3. Allow plant and equipment to be subjected to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the college, the Board or staff to claims of liability.
5. Make any purchase or commit the organization to any expenditure greater than \$64,000 without prior board authorization, unless deemed an emergency purchase or already authorized within the approval of a larger capital project.
6. Make any purchase over \$25,000 without soliciting at least three quotations, unless there is a policy exception, a single source supplier or other circumstances prohibiting competitive pricing. A summary report of transactions will be presented to the Board monthly. Insurance is excluded from the above dollar limitations. The administration is authorized to negotiate with interested insurance companies. The administration is authorized to approve purchases without bids of certain maintenance items such as repair parts; replacements for original, one-of-a-kind equipment items; and special services performed by only one available contractor. The administration is authorized to approve purchases without bids of certain instructional supplies and equipment items available from only one source or when the purchase is to increase the number of like items for a department.
7. Receive, process or disburse funds under controls that violate board-appointed auditor's standards.
8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
9. Acquire, lease, encumber or dispose of real property.
10. Use funds received under the Carl Perkins Vocational and Applied Technology Education Act to supplant state or local funds that would, in the absence of such federal funds, be available for the use specified in the act.
11. Spend federal appropriated funds for influencing or attempting to influence an officer or employee or any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal grant or cooperative agreement.

*Revised 6/05, 4/16, 5/19*

***POLICY TYPE: EXECUTIVE LIMITATIONS***

**POLICY TITLE: EMERGENCY EXECUTIVE SUCCESSION**

In order to protect the board from sudden loss of chief executive services, the president may not have fewer than two other executives familiar with board and president issues and processes.