**Governance Standards Policy**
**Updated 1.17.25**

## 1. PURPOSE

To define the governance approach, focus, and responsibilities of the organization's Board of Directors (Board).

## 2. SCOPE

This policy applies to the Board of Directors.

## 3. FOCUS

According to the mParks Bylaws, the organization's Board of Directors "*shall have charge, control, and management of the business, property, personnel, affairs, and funds of the organization and shall have the power and authority, by and in the name of the organization, to do and perform all acts and functions permitted for an organization described in section 501(c)(3) of the Internal Revenue Code*". To execute its responsibilities, the Board will focus its governing efforts on:

- Vision. "Vision" means the organization's clear statement of where it wants to be and its desired long-term results.
- Strategic Leadership. "Strategic Leadership" means determining and monitoring strategic results and being proactive, not reactive; it excludes involvement in tactical issues such as operations.
- Speaking with One Voice. "Speaking with One Voice" means actively discussing issues as a Board and then delivering a clear direction to the Executive Director, generally evidenced by a vote; it excludes making individual decisions or going around the Executive Director to question or instruct any other organization employee.
- An Effective Relationship with the Executive Director. "An Effective Relationship with the Executive Director" means having appropriately separated roles, healthy interaction of ideas, and fostering/communicating genuine trust through active and continuous communication.
- Balancing the Needs of All Stakeholders. "Balancing the Needs of All Stakeholders" means acting in the best interests of organization members but in a balanced fashion that is lawful, socially responsible, and meets regulatory requirements while adequately considering the needs of leadership, staff, and volunteers.

## 4. GENERAL RESPONSIBILITIES

The Board shall:

1. Establish a written Strategic Vision Plan.
2. Establish written policies covering the governing aspects of the business.
3. Conduct the organization's affairs in a professional, businesslike manner.
4. Attract and retain a competent Executive Director and utilize qualified outside expertise.
5. Allow the Executive Director to lead the organization.

6. Attend and actively participate in Board meetings, including voting on all matters, unless a potential conflict of interest might exist.
7. Evaluate committee functions and results produced by the committees.
8. Understand the laws and regulations that affect this organization.
9. Avoid even the appearance of conflicts of interest and insider dealings.
10. Provide adequate insurance and indemnification provisions to protect Directors if a liability is imposed.
11. Treat sensitive issues confidentially and appropriately.

## 5. Board Meetings

### 5.1. Board Meetings

As established in the organization's Bylaws, the Board will hold pre-scheduled meetings.

The Board meeting is an opportunity for the Board of Directors to evaluate the organization's performance and to make decisions on its policies, strategies, and plans. A projected calendar of meetings is developed and reviewed by the Board of Directors in September of the previous year for the following year. The Board President will determine the date and the time of Board meetings. The President will determine the location in advance, and the Board of Directors will be notified accordingly, consistent with the Bylaws.

### 5.2. Meeting Facilitator

The Board President facilitates the meeting and ensures that all agenda items are addressed, and the meeting is orderly and timely.

### 5.3. Meeting Participants

The meeting will include a quorum of Board members. The Executive Director regularly participates in the Board's monthly meetings to provide essential feedback and information on organizational operations and perspectives on issues discussed. Other parties, internal or external to the organization, may be invited by the President or Executive Director to the meeting based on the needs and specific content of the meeting agenda.

## 6. Meeting Attendance

Attendance at Board meetings is critical for a Board to be successful because it provides a forum for asking probing questions and allows issues to be debated constructively. Every Director should strive to arrive on time, actively engage in discussions, and stay for the entire meeting. If they cannot attend a meeting in person or electronically, the Executive Director or President should be notified in advance of the meeting.

Suppose a director fails to attend three (3) consecutive Board meetings. In that case, the office may be declared vacant by the Board of Directors, and the vacancy shall be filled in accordance with the organization's bylaws. The President may request a director to take a leave of absence, or a Director may request a leave of absence.

## 7. Meeting Agendas and Preparation

The President develops agendas for the board of directors with input from individual Directors. Any Director may add an item to the meeting agenda if they notify the President before the meeting.

Reports, proposals, or items that should be included in the Board packet must be submitted to the Executive Director one week before the Board meeting. The Executive Director will strive to have board packets available to Directors one week before Board meetings.

Directors are expected to review Board packets and be prepared to discuss and/or vote on agenda items. Directors should email questions to the Executive Director and copy the Board President before the meeting with sufficient

time for the Executive Director or Board President to research and respond to the entire Board.

**8. Consent Agenda**

When Board oversight or approval is specifically required by a higher governance policy (e.g., organization Bylaws or state/federal law) but is not necessary by Board governance policy, the Executive Director will request the President to add recommended actions for those items to the consent agenda of the Board at its next meeting.

**9. Board Meeting Minutes**

Minutes will be documented by the Board Secretary (or their delegate) in typed form and will detail the events, motions, decisions, and reports given during the Board meeting. The typed minutes will be submitted to the Board for review and approval. Upon approval, the Board meeting minutes and all attachments will become part of the organization's corporate records and must be stored and maintained per mParks Record Retention Guidelines.

**10. Communications**

The Executive Director and/or a delegate is authorized to open all items addressed to a Director or committee member, notify the Board President, and respond to the communication accordingly. A copy of all items submitted that require a reply and/or decision will be provided to the appropriate party, along with a copy.

**10.1. Ongoing Communication**

The Executive Director will cause the Directors to be kept informed of current developments within the industry and the organization.

**10.2. Member Inquiries**

Directors will make themselves readily available to answer organization member questions and concerns expediently and professionally, attempting to refer the member back to the Executive Director when appropriate.

**11. Board and Management Roles**

The Board and its Directors understand that appropriate roles within the organization fall within the following strategic and tactical levels. The Board will enact its strategic role and allow management (specifically the Executive Director) to enact its tactical role.

| Strategic | Tactical |
|---|---|
| Board | Management |
| ❑ What<br>❑ Why | ❑ What<br>❑ Where<br>❑ When<br>❑ How<br>❑ Who<br>❑ How Much |

## 12. Board/Executive Director Interface and Authority

The Board will delegate organizational tactics and operations within appropriate limitations to the Executive Director and monitor the Executive Director's performance. The Board will generally direct the Executive Director through written Board policies, and the Board President may occasionally provide additional instructions to the Executive Director.

The Board's sole connection to the operational organization, its outcomes, and its conduct is exclusively through the Executive Director. The Board President shall be the primary contact between the Board and the Executive Director. Suppose an individual Director requests information or assistance from the Executive Director without explicit Board authorization. In that case, the Executive Director may refuse the request if, in their opinion, it is disruptive or requires significant effort or funds. Likewise, if an individual Director gives directions or instructions to the Executive Director without the support of the entire Board, the directions or instructions will not be binding.

The Board's delegation to the Executive Director is contingent upon the organization operating within the Board-approved strategic plan/vision and budget. The items listed in the following table apply only to items OUTSIDE the approved budget.

## 13. Policy Revision, Board Support

The Board may change these policies, thereby changing the desired outcomes and the Executive Director's latitude of means. By doing so, the Board changes the domains of the Board and Executive Director and the Executive Director's latitude of choices. However, if any delegation is in place, the Board will respect and support the Executive Director's decisions.

**14. Examples of Executive Director Authority**

Executive Director authority includes but is not limited to the following:

| Key: | Level A – Complete Authority to Act |
|---|---|
| | Level B – Act and Report |
| | Level C – Act After Approval |

*Note: The Board's delegation to the Executive Director is contingent upon the organization operating within the Board-approval strategic plan and budget. These items listed apply only to items OUTSIDE the approved budget.*

**Note:**

This document is not intended to be all-inclusive but as a quick reference and in conjunction with board policies and the organization's operating and personnel policies.

| Position Functions | Executive Director Authority Level | | | Comments on Authority Level |
|---|---|---|---|---|
| | A | B | C | |
| **1. Budget** | | | | |
| The management will develop annually, and the Board will approve the budget for the future year's operations. | | | **x** | |
| | | | | |
| **2. Organizational Structure & Level of Responsibility** | | | | |
| • Establish Org Chart | | **x** | | |
| • Fire or demote direct reports to the Executive Director | | **x** | | Report out the separation package, recognizing the confidential nature of the information. |
| • Approve subordinate authority of direct reports | **x** | | | |
| • Hire, fire, discipline, promote/demote all other staff | **x** | | | |
| • Determine annual salary "package" for all staff | **x** | | | Not to include long-term benefits (within the approved budget) |
| • Personal schedule of working hours | **x** | | | |
| • Personal Vacation | | **x** | | Within established ranges and policy |
| | | | | |
| **3. Communication** | | | | |
| • Develop/maintain a distribution system for the Board to ensure an adequate program of continuous communications | | **x** | | |
| • Write letters on behalf of the organization and sign as official representative | **x** | | | |
| • Inform members and staff of board policy | **x** | | | |

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| Position Functions | Executive Director Authority Level | | | Comments on Authority Level |
|---|---|---|---|---|
| | A | B | C | |
| **4. Personnel, Operating Policies** | | | | |
| • Develop job descriptions, including job standards and performance standards | **x** | | | |
| • Establish personnel policies | | **x** | | |
| • Change personnel policies | | **x** | | |
| • Exceptions to personnel policy | | **x** | | |
| • Establish an emergency succession plan for the Executive Director | | **x** | | To be reviewed annually by the Board |
| • Establish a supervisor training/development program | **x** | | | |
| • Administer employee benefits, policies, and programs | **x** | | | Excluding executive management benefits |
| • Establish and administer executive management benefits | | | **x** | |
| • Establish operating policies | | **x** | | |
| • Establish working hours, vacation, and other schedules, including overtime for staff | **x** | | | |
| • Approve employee benefits, leave policy, and other schedules within the established policy | **x** | | | |
| • Utilize temporary (hire) help to fill vacancies | **x** | | | |
| • Establish open/close hours for serving members (including Holidays) | | **x** | | |
| • Name the person “in charge” when this position holder is absent | **x** | | | |
| • Determine the staff that attends BOD meetings | **x** | | | Act independently, and within this limitation, senior management shall attend. |

| Position Functions | Executive Director Authority Level | | | Comments on Authority Level |
|---|---|---|---|---|
| | A | B | C | |
| **5. Public Relations/Community Involvement** | | | | |
| • Determine memberships in community groups/service clubs, organization groups | **x** | | | |
| • Participating in public relations forums | **x** | | | |
| • Represent the organization to affiliated organizations and general community functions | **x** | | | |
| • Respond to media | **x** | | | |
| • Relate to various levels of government | **x** | | | |
| • Participating in conferences, workshops, seminars, and professional organizations | **x** | | | Within established ranges, policy and/or budget |
| | | | | |
| **6. Financial and Operating Management** | | | | |
| | **x** | | | It does not apply if approved through the budget approval process; it must be a budget line item. |
| • Purchase capital assets more than $1000 | | | **x** | It does not apply if approved through the Budget approval process; it must be a budget line item. |
| • Make investments | **x** | | | Within established ranges and policy |
| • Establish accounting policy and practices | | **x** | | |
| • Purchase/Sell real estate | | | **x** | RE contracts are subject to review. |
| • When the bidding process is not possible, a single source letter is required | | **x** | | |

| Key: | **Level A – Complete Authority to Act** |
|---|---|
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| Position Functions | Executive Director Authority Level | | | Comments on Authority Level |
|---|---|---|---|---|
| | A | B | C | |
| **7. Advocacy** | | | | |
| **Advocacy Representation**<br>• Serve as the primary spokesperson for mParks at legislative hearings, public forums, and industry events.<br>• Build relationships with key legislators, state agencies, and other stakeholders.<br>• Lead and manage mParks' involvement in advocacy coalitions, providing regular updates to the Board of Directors. | **x** | | | |
| **Strategic Communications**<br>• Issue public statements, press releases, and other communications to advance mParks' public policy objectives.<br>• Represent mParks in coalition meetings, partnerships, and task forces on public policy initiatives.<br>• Respond to time-sensitive legislative or regulatory developments that impact the organization or its members. | **x** | | | |
| **Stakeholder Meetings**<br>• Organize and attend meetings with stakeholders, legislators, and government officials, with follow-up reporting on outcomes and next steps. | | **x** | | |
| **Lobbyist Contracts**<br>• Secure Board approval for engaging or terminating lobbying firms or consultants | | | **x** | |
| **Public Endorsements**<br>• Seek Board approval before publicly endorsing candidates, ballot measures, or significant public initiatives. | | | **x** | |
| **Policy Changes**<br>• Propose amendments to mParks' advocacy framework or legislative priorities for Board approval. | | | **x** | |

## 15. Board of Directors Liability

### 15.1. Fiduciary Duties

The Board and each Director owe a fiduciary duty to organization members and will constantly strive to improve the overall value the organization delivers to its members. A fiduciary is a person having a duty to act primarily for the benefit of another.

The law requires that a fiduciary act with the same degree of care and diligence that an average prudent person would use to conduct their financial affairs. In some instances, it may require that you act contrary to your interests, such as not maintaining dividend (interest) rates at a higher level than the prevailing market when you have an amount on deposit at the organization.

Fiduciaries may engage in independent business activities but should not allow those activities to compete with the organization's interests. Fiduciaries may transact business with the organization, provided that the transaction terms are fair and reasonable as determined by the marketplace (i.e., arms-length transactions). In addition, fiduciaries may not divert to themselves opportunities that would typically belong to the organization.

### 15.2. Fulfillment of Fiduciary Duties

Each Director has an obligation to attend and actively participate in the monthly meetings during which the Directors satisfy their general obligation to govern the organization's affairs properly. To fulfill the commitment in the exercise of one's responsibilities, Directors should undertake the following:

- **Be prepared for Board meetings**
  Review the agenda and Board package materials before the meeting, noting questions to be asked during the meeting.
- **Ask Questions**
  Ask the Executive Director appropriate questions and require that all issues be considered and thoroughly discussed.
- **Establish a Written Strategic Plan or Vision**
  This document describes what the organization desires to achieve overall, generally in a three-to-four-year time frame.
- **Establish Governing Policies and Guidelines**
  These policies provide specific directions to the organization, which results from careful consideration and agreement on the part of the Board of Directors. They enable the Executive Director to act appropriately and responsively in a highly competitive environment. They also standardize the Board's approach to the business, create consistency for the membership, and minimize the overall time commitment required by the Board.

## 16. Liability of Officers and Directors

There is liability risks associated with acting as an organization Officer or Director. The risk also involves a potential personal liability, which could include recovery from the Officers and Directors themselves (personally) rather than, or in addition to, the organization.

Liabilities can include damages claimed by members or other third parties. Still, they can also include liabilities incurred when Regulators, at their discretion, assess penalties for non-compliance with governmental rules and regulations. Examples of liabilities caused by engaging in improper activities include the following:

- Stealing organization property or standing by and doing nothing when you know another is engaging in this activity.
- Seeking a personal financial benefit from a contractual relationship with the organization, commonly known as insider dealing.
- Failing to perform specific duties, such as improperly delegating responsibilities to the Executive Director.
- Failing to comply with federal or state rules and regulations.
- Engaging in action that is not authorized by law.
- Doing nothing when something is required. Ignorance of the law or the situation is not a defense.
- Failing to secure expert advice when needed.

### 16.1 Forms of Liability

16.1.1 **Criminal Liability.** This form of liability is the easiest to avoid because it involves engaging in conduct with criminal intent. Appropriating organization funds, property, or opportunities is the most common form of criminal liability.

16.1.2 **Self-Dealing.** The primary causes of Director Liability are a result of self-dealing.

16.1.3 **Regulatory.** A regulatory agency for non-action or improper action may determine liability. This can involve a claim for damages or removal proceedings.

16.1.4 **Liability to Shareholders.** Shareholders (our members) may also institute legal proceedings to recover damages for malfeasance or may seek to force the Board to take specific actions.

16.2 **Conflict of Interest.**

When accepting a position in an organization, whether paid or volunteer, individuals should recognize that they now must place the interests of the organization and its members above any personal or sponsoring company interests they may have. A conflict of interest arises when volunteers use their positions for personal profit or advantage.

- No immediate family members of the organization's Board of Directors can be hired or employed by the organization.

While these are "highlights" of the most frequent issues involving a conflict of interest, volunteers should be aware that many other circumstances could create a conflict of interest. Each Board Officer, Director, and Volunteer (Collectively defined as Volunteers) will seek to avoid any conflict of interest that could affect or be perceived to affect their loyalty to the membership.

When volunteers have a personal interest that conflicts with the interest of the mParks or when a situation arises such that a volunteer has divided loyalties, a conflict of interest exists. Volunteers are strongly encouraged to disclose conflicts or evolving situations that may result in a conflict of interest as soon as the person becomes aware of a potential conflict. Suppose it is not entirely clear that a conflict of interest exists. In that case, the individual with the potential conflict shall disclose the circumstances to the Board President, and the Board President will determine if a conflict of interest exists. Advanced communication and disclosure with the Board President will allow an appropriate plan of action to be developed to manage actual or perceived conflicts.

The Board President will review situations where a potential conflict of interest has been identified. The review will be conducted in a sensitive, confidential, and fair manner but may include conversations with others as needed to assess the situation and surrounding circumstances. Suppose the Board President determines the conflict exists or will exist. In that case, the matter will be discussed with the Board, and a decision will be made as to what course of action the organization and/or individual(s) should take in the best interests of organization members. If the potential conflict of interest cannot be managed to the Board's satisfaction, the Board President will ask the person to resign.

A conflict of interest may be identified during a Board or Committee meeting. Some conflicts, such as Board approval of a loan to a director's family member, require the Director to identify the conflict and abstain from voting. In other instances, the Board President may pause discussions on a motion and even stop the voting process to discuss a possible conflict of interest identified during the meeting. After discussing the potential conflict to the Board's satisfaction, the Board President may request votes cast on the motion before the pause is re-cast to verify the intent of the Board.

If a potential conflict exists with the Board President, the Executive Committee will be engaged to resolve the situation.

**17. Standard of Care**

While Organization voting Directors are Volunteers and may not vote on specific issues, their standard of care remains. The law requires that a director function as a prudent person would act under similar circumstances:

- Directors must provide general directions over the affairs of the organization. They must use due diligence in determining the organization's ongoing financial condition and overall health.
- Directors must use ordinary care in their supervision of the Executive Director. The degree of care depends upon the specific circumstances:
    - If there is no reason to believe something is wrong, ordinary attention to the organization's affairs is sufficient.
    - If there are facts that would lead a prudent person to believe something is wrong, a greater degree of care is required to attempt to avoid or correct the wrong.
- Directors must have a general knowledge of how the organization's business affairs are conducted.

**18. The Business Judgment Rule**

Courts will not attempt to second-guess or substitute their judgment for the business judgment of Directors. Directors cannot guarantee that all decisions are the right ones. When the Board has made the wrong decision, which results in a loss, liability will not be imposed if the matter is handled competently.

The Board is to maintain adequate records, including Board minutes. The Board will appropriately employ experts when necessary and seriously consider and discuss all matters.

mParks Board of Directors: Governance Policy passed: January 17, 2025