

# SEBA GOVERNANCE POLICY

Black Type: Policies owned by the Executive Director

Green Type: Policies owned by the Board

## **POLICY TYPE: EXECUTIVE LIMITATIONS**

1. POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT*
2. POLICY TITLE: *TREATMENT OF CONSUMERS*
3. POLICY TITLE: *TREATMENT OF STAFF*
4. POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*
5. POLICY TITLE: *ACTUAL FINANCIAL CONDITION AND ACTIVITIES*
6. POLICY TITLE: *EMERGENCY CEO SUCCESSION*
7. POLICY TITLE: *ASSET PROTECTION*
8. POLICY TITLE: *COMPENSATION AND BENEFITS*
9. POLICY TITLE: *COMMUNICATION AND SUPPORT TO THE BOARD*

## **POLICY TYPE: GOVERNANCE PROCESS**

10. POLICY TITLE: *GLOBAL GOVERNANCE COMMITMENT*
11. POLICY TITLE: *GOVERNING STYLE*
12. POLICY TITLE: *BOARD JOB DESCRIPTION*
13. POLICY TITLE: *AGENDA PLANNING*
  - 13A. SUGGESTED ANNUAL MEETING SCHEDULE TO ASSIST IN AGENDA PLANNING
14. POLICY TITLE: *BOARD NOMINATIONS & ELECTIONS*
15. POLICY TITLE: *CHIEF GOVERNANCE OFFICER'S ROLE*
16. POLICY TITLE: *BOARD MEMBERS' CODE OF CONDUCT*
17. POLICY TITLE: *BOARD COMMITTEE PRINCIPLES*
18. POLICY TITLE: *BOARD COMMITTEE STRUCTURE*
19. POLICY TITLE: *COST OF GOVERNANCE*

## **POLICY TYPE: BOARD-MANAGEMENT LINKAGE**

20. POLICY TITLE: *GLOBAL GOVERNANCE-MANAGEMENT CONNECTION*
21. POLICY TITLE: *UNITY OF CONTROL*
22. POLICY TITLE: *ACCOUNTABILITY OF THE CEO*
23. POLICY TITLE: *DELEGATION TO THE CEO*
24. POLICY TITLE: *MONITORING CEO PERFORMANCE*
  - 24A. MONITORING SCHEDULE

## **POLICY TYPE: ENDS**

25. POLICY TITLE: *MEGA-END*

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: EXECUTIVE LIMITATIONS**

Last updated: July 13, 2015 by Wanda Jewell

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**1. POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT***

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The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance which is either unlawful, imprudent or in violation of the highest standard of business and professional ethics and practices.

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: EXECUTIVE LIMITATIONS**

Last updated: July 13, 2015 by Wanda Jewell

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**2. POLICY TITLE: *TREATMENT OF CONSUMERS***

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With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, unduly inconvenient, or unnecessarily intrusive or disrespectful or reflect personal prejudice.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**3. POLICY TITLE: *TREATMENT OF STAFF***

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With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions which are unfair, undignified, disorganized, unclear or discriminate on the basis of sexual orientation or gender identity.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Operate without written personnel rules which: (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 paid staff member for non-disruptive expression of dissent.
3. Fail to acquaint staff with the CEO's interpretation of their protections under this policy.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**4. POLICY TITLE: *FINANCIAL PLANNING/BUDGETING***

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Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not plan in a manner that:

1. Risks the organization incurring those situations or conditions described as unacceptable in the board's policy Financial Condition and Activities.
2. Fails to include credible projection of revenues, expenses, and cash flow; separation of capital and operational items, and disclosure of planning assumptions.
3. Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.
4. Includes an amount for CEO Salary & Benefits until that amount has been determined solely by the board.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**5. POLICY TITLE: *ACTUAL FINANCIAL CONDITION AND ACTIVITIES***

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With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Overdraw the checking account.
2. Use the board reserve fund without board approval.
3. Fail to settle payroll and debts in a timely manner.
4. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
5. Acquire, encumber or dispose of real property.
6. Fail to aggressively pursue receivables after a reasonable grace period.
7. Fail to transfer at least 2% of the annual operating revenue to the board reserve fund while that fund is less than 50% of annual operating expenses

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: EXECUTIVE LIMITATIONS**

Last updated: July 13, 2015 by Wanda Jewell

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**6. POLICY TITLE: *EMERGENCY CEO SUCCESSION***

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In order to protect the board from sudden loss of CEO services, the CEO will not fail to provide a written emergency plan and a designated emergency person.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**7. POLICY TITLE: *ASSET PROTECTION***

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The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked. Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Fail to insure against liability losses to board members, staff and the organization itself in an amount no less than the average for comparable organizations.
2. Allow unbonded personnel access to material amounts of funds.
3. Unnecessarily expose the organization, its board or staff to claims of liability.
4. Make any expenditure: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over \$40,000 without a stringent method of assuring the balance of quality and cost. Orders shall not be split to avoid these criteria.
5. Fail to protect intellectual property, information and files from loss or significant damage.
6. Receive, process or disburse funds under controls which are insufficient to meet the board-appointed auditor's standards.
7. Invest or hold operating capital in insecure, high-risk or non-conservative instruments, including uninsured checking accounts and bonds of less than AA rating at any time, or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
8. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.
9. Create or purchase any subsidiary corporation.



**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: EXECUTIVE LIMITATIONS**

Last updated: July 13, 2015 by Wanda Jewell

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**8. POLICY TITLE: *COMPENSATION AND BENEFITS***

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With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or to public image.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**9. POLICY TITLE: *COMMUNICATION AND SUPPORT TO THE BOARD***

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The CEO will not permit the board to be uninformed or unsupported in its work.

The CEO will not

1. Withhold, impede, or confound information relevant to the board’s informed accomplishment of its job.
  - A. Neglect to submit monitoring data required by the board in Board-Management Delegation policy “Monitoring CEO Performance” in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy “Delegation to the CEO,” as well as relevant data.
  - B. Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the board’s monitoring schedule.
  - C. Allow the board to be without decision information required at the beginning of each board meeting by the board or let the board be unaware of relevant trends.
  - D. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
  - E. Let the board be uninformed at the end of each board meeting of any incidental information it requires including anticipated media coverage, threatened or pending lawsuits and material internal changes.
  - F. Fail to inform the board if, in the CEO's opinion, the board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly in the case of board behavior that is detrimental to the work relationship between the board and the CEO.
2. Withhold from the board and its processes logistical and clerical assistance, especially regarding the board nomination process.
  - A. Fail to provide a workable, user-friendly mechanism for official board, officer, or committee communications.
  - B. Fail to provide pleasant and efficient setting and arrangements for board and committee meetings.
3. Impede the board’s holism, misrepresent its processes and role, or impede its lawful obligations.
  - A. Deal with the board in a way that favors or privileges certain board members over others except when (i) fulfilling individual requests for information or (ii) responding to officers or committees with respect to duties charged to them by the board.
  - B. Fail to submit for the board’s consent agenda items delegated to the CEO yet required by law, regulation, or contract to be board-approved, along with applicable monitoring information.

**TAB 1: SEBA GOVERNANCE POLICY POLICY TYPE: GOVERNANCE PROCESS**

Last updated: March 1, 2012 by Wanda Jewell

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: GOVERNANCE PROCESS**

Last updated: July 13, 2015 by Wanda Jewell

**POLICY TYPE: GOVERNANCE PROCESS**

**10. POLICY TITLE: *GLOBAL GOVERNANCE COMMITMENT***

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The purpose of the board, on behalf of SEBA members, is to see to it that the Southeast Booksellers Association (a) achieves appropriate results for appropriate persons at an appropriate cost, and (b) avoids unacceptable actions and situations.

## **POLICY TYPE: GOVERNANCE PROCESS**

### **11. POLICY TITLE: *GOVERNING STYLE***

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The board will govern lawfully with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) leadership rather 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. 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 observe them scrupulously while in force.
  - a. The board will plan its meetings in advance, and will expect that all board members attend all meetings annually. Board members missing more than one meeting annually will be deemed to have resigned. Such board members may be reinstated at their request, but only once per term.
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 be an excuse for not fulfilling its commitments.
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-CEO Linkage categories.
7. The board will cultivate an atmosphere of openness and transparency. All board meetings will be open to core members. However, if the board deems it necessary and appropriate, a meeting may be closed at any time to discuss issues such as personnel matters, contractual negotiations, or legal issues in executive session. Executive session may be proposed by a board member in the form of a motion that must be approved by a majority of the board members present. Executive session will be used sparingly and for specified reasons.
8. The board will cultivate amicable and mutually beneficial relations with other industry partners (ABA, BINC, publishers, etc.) as a means to communicate SIBA member needs.

**POLICY TYPE: GOVERNANCE PROCESS**

**12. POLICY TITLE: *BOARD JOB DESCRIPTION***

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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 create:

1. The link between the ownership and the operational organization.
2. Written governing policies which address the broadest levels of all organizational decisions and situations.
  - A. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - B. Executive Limitations: Constraints on executive authority which establish the prudence and ethics 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-CEO Linkage: How power is delegated and its proper use monitored; the CEO role, authority and accountability.
3. Assurance of successful CEO performance.
4. Decisions on operational means that are not under CEO authority.

**POLICY TYPE: GOVERNANCE PROCESS**

**13. POLICY TITLE: *AGENDA PLANNING***

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To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda which (a) completes a re-exploration of Ends policies annually and (b) continually improves board performance through board education and enriched input and deliberation.

1. The cycle will conclude each year at the last meeting 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 as to when, where, and how, and arranged in the first meeting, to be concluded by the year end.
  - B. Governance education, by the second meeting, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged.
3. Board members wishing to amend a policy should notify the CGO in writing at least two weeks in advance of the board meeting identifying the policy to be amended, the amendment proposed, and the reasons for the proposed amendment.
4. CEO monitoring will be included on the agenda if monitoring reports show policy violations, or if policy criteria are to be debated.
5. CEO remuneration will be decided after a review of monitoring reports at the last regular meeting of the year.

## **13A. SUGGESTED ANNUAL MEETING SCHEDULE TO ASSIST IN AGENDA PLANNING**

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### **General**

For each meeting/event SIBA will reimburse participating board members for the event registration fee, door-to-door travel (use current IRS business travel reimbursement rate if using your personal vehicle), meals, lodging\*, and incidentals if expense report is submitted within 60 days of the trip.

\*SIBA covers ONLY 3 nights of lodging at Meeting Two.

### **Meeting Zero at Winter Institute**

The SIBA board attends Winter Institute for the purposes of board education. SIBA does not plan to hold a board meeting unless special circumstances require it. Outgoing & incoming board members are expected to attend. Board members agree to meet together for breakfast the 3 mornings of WI. This trip should allow for board members to explore trends, consider education for themselves and their colleagues, and to meet and network with each other and publishers, authors and booksellers.

### **Meeting One at SITS/GABBS**

This meeting should allow for board members to vet education, train, and determine what outreach and linking they want to do for the year. Board members must arrive in time to attend the mandated events, Carver Training and Board Meeting. Board members are encouraged but not required to attend SITS and the bookseller education that SIBA provides on Friday and Saturday morning. Board members are also encouraged to be seen on the GABBS exhibit floor on Friday afternoon as we are guests of the GABBS show. Carver Training takes place the Saturday of GABBS and the board meets the Sunday 8AM – 1PM of GABBS.

#### Decision Info Provided

Call to order

Read Minutes of Annual Membership Meeting into our Board minutes

Discussion of internal or external monitoring in cases of noncompliance or at board member request (optional)

Acknowledgement of receipt and approval as to previous monitoring (including External Audit)

Motion to add (or reject from) next Board Slate those eligible current board members whose terms are expiring this year (optional)

Schedule Call for Board Nominations

Discuss results of previous year's plan to link owners & operations

Plan to link owners and operators

Board Self Evaluation – Review the following policies:

11. Governing Style

12. Board Job Description

13., 13a Agenda Planning

14. Board Nominations & Elections

16. Board Members' Code of Conduct

Minutes

Adjourn

Incidental Info Provided

### **Meeting Two at BEA**

The Board agrees to meet up to four hours (exact time TBD) on the 1st day of BEA as listed at <http://www.bookexpoamerica.com/>, even if it conflicts with programming. The board will schedule a pre-board meeting up to four hours the day before the board meeting.

#### Decision Info Provided

Call to order

Discussion of monitoring in cases of noncompliance or at board member request (optional)

Acknowledgement of receipt and approval as to previous monitoring

Discuss nominee interviews and prepare slate

Results of plan to link owners and operators

Board Self Evaluation – Review the following policies:

15. Chief Governance Officer's Role



## **TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: GOVERNANCE PROCESS**

Last updated: July 13, 2015 by Wanda Jewell

19. Cost of Governance  
22. Accountability of the CEO  
23. Delegation to the CEO  
24., 24a Monitoring CEO Performance  
Minutes  
Adjourn  
Incidental Info Provided

### **Meeting Three**

Board members are expected to attend the ticketed events and should clarify if they are not going to be present. The Board will be available to huddle if needed on Thursday afternoon with the Exec Director and attend the Trade Show Planning Meeting. The Board of Directors is responsible for their annual meeting to be held immediately following the Industry Breakfast to last no more than one hour and for meeting with their Advisory Council. The Board of Directors will hold a pre-board 8am - Noon and board meeting 1 – 6pm on Monday after the trade show.

Decision Info Provided  
-CEO policy violations report (if applicable)  
-CEO salary comps  
-Wanda's report on SIBA's financial ability  
-Economic indicators report  
-External auditor engagement letter

Call to order

Discussion of monitoring in cases of noncompliance or at board member request (optional)

Acknowledgement of receipt and approval as to previous monitoring

Review Mega-Ends with owners and operators link info

Set upcoming Budget lines for CEO Salary & Cost of Governance

Motion to engage external auditor

Review board reserve fund statement

Board Self Evaluation – Review the following policies:

10. Global Governance Commitment

17. Board Committee Principles

18. Board Committee Structure

20. Global Governance-Management Connection

21. Unity of Control

Elect upcoming President

Minutes

Adjourn

Incidental Info Provided

**POLICY TYPE: GOVERNANCE PROCESS**

**14. POLICY TITLE: *BOARD NOMINATIONS & ELECTIONS***

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The board uses the Policy Governance model.

1. Nominations

Accordingly, in recruiting board members,

- A. The board will seek persons who are owners and/or staff from the core membership taking into account the following: relevant Policy Governance skills (including the ability to work within group decisions, to use conceptual categories of Ends and means, to judge performance only against previously stated expectations), relevant industry skills and knowledge, geography, and store size.
- B. The Call for Nominations will be issued immediately after the first meeting of the year (Meeting One) and will include 2 sample policies, a link to the Carver Website and a list of required attributes.
- C. Once nominations are received, board will evaluate qualified candidates based on their responses to standardized questions provided by the board, and any other methods deemed necessary and appropriate.
- D. Board will discuss nominee qualifications by second regular board meeting (Meeting Two) placing most qualified nominees on the ballot.

2. Elections

- A. Election of directors will be held between the second and third regular board meetings (between Meeting Two and Meeting Three) of the year.
- B. The President will be elected at the last regular board meeting (Meeting Three) of the year by a majority of the board of directors. The term shall be for the following calendar year.

**POLICY TYPE: GOVERNANCE PROCESS**

**15. POLICY TITLE: *CHIEF GOVERNANCE OFFICER'S ROLE***

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The Chief Governance Officer (CGO), a specially empowered member of the board, assures the integrity 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 upon it from outside the organization.
  - A. Meeting discussion content will be on those issues which, according to board policy, clearly belong to the board to decide or to monitor.
  - B. Information which 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.
2. The authority of the CGO consists in making decisions that fall within topics covered by board policies on Governance Process and Board-CEO Linkage, with the exception of (a) employment or termination of a CEO and (b) 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 power 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 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 TYPE: GOVERNANCE PROCESS**

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

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The board commits itself and its members to the highest ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

1. Members must have loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as an owner.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - A. There will be no self-dealing and members doing business with the organization will receive no more benefit than any other core members. Members will annually disclose their involvements with other organizations, with vendors, or any associations which might be or might reasonably be seen as being a conflict.
  - B. When the board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall recuse herself or himself without comment from not only the vote, but also from the deliberation.
  - C. Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. Should a board member apply for employment, he or she must first resign from the board.
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 board authorized.
  - B. Members' interaction with public, 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 reasonable interpretation of board policy has been achieved by the CEO, members will not express individual judgments of performance of employees of the CEO.
  - D. Board members must pass on operational comments and complaints to the CEO. Feedback to the CEO is not an attempt to exercise authority.
4. Members will promptly inform the board of any change in their core membership status. The board will verify core membership eligibility for that member before the next meeting.
5. Members will respect the confidentiality appropriate to issues deemed by the board to be of a sensitive nature.
6. Members will be properly prepared for board deliberation.
7. Members will submit expense reports for reimbursement no later than 60 days after the expense was incurred.

**POLICY TYPE: GOVERNANCE PROCESS**

**17. POLICY TITLE: *BOARD COMMITTEE PRINCIPLES***

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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 approval of a board committee before an executive action.
4. 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.
5. Committees will be used sparingly.
6. This policy applies to any group which is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the CEO.

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: GOVERNANCE PROCESS**

Last updated: July 13, 2015 by Wanda Jewell

**POLICY TYPE: GOVERNANCE PROCESS**

**18. POLICY TITLE: *BOARD COMMITTEE STRUCTURE***

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A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

**POLICY TYPE: GOVERNANCE PROCESS**

**19. POLICY TITLE: *COST OF GOVERNANCE***

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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 assure 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. This includes, but is not limited to, fiscal audit.
  - 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. Up to \$44,000 annually for:
  - A. professional fees to include the external audit, accounting, and any professional fees deemed necessary by the Board of Directors.
  - B. board meetings and other meetings deemed necessary by the Board of Directors to include hotel, travel and other related expenses.
  - C. board training and information gathering to include Carver Training and Winter Institute and other conferences & workshops.
  - D. internal monitoring.

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: BOARD-MANAGEMENT LINKAGE**

Last updated: April 16, 2015 by Wanda Jewell

**POLICY TYPE: BOARD-MANAGEMENT LINKAGE**

**20. POLICY TITLE: *GLOBAL GOVERNANCE-MANAGEMENT CONNECTION***

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



**POLICY TYPE: BOARD-MANAGEMENT LINKAGE**

**21. POLICY TITLE: *UNITY OF CONTROL***

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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 can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive.

**POLICY TYPE: BOARD-MANAGEMENT LINKAGE**

**22. POLICY TITLE: *ACCOUNTABILITY OF THE CEO***

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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 TYPE: BOARD-MANAGEMENT LINKAGE**

**23. POLICY TITLE: *DELEGATION TO THE CEO***

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The board will instruct the CEO through written policies which 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.
2. The board will develop policies which 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.
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 develop 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 TYPE: BOARD-MANAGEMENT LINKAGE**

**24. POLICY TITLE: *MONITORING CEO PERFORMANCE***

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Systematic and rigorous monitoring of CEO job performance will be undertaken solely against the 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. Data which do not do this will not be considered to be monitoring data.
2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the CEO discloses 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, and (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 standard for compliance shall be *any reasonable CEO interpretation* of the board policy being monitored. The board is final arbiter of reasonableness, but will always judge with a “reasonable person” test rather than with interpretations favored by board members.
4. All policies which 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.
5. All policy violations will be noted and, if there are no mitigating circumstances, will contribute to a negative appraisal of CEO performance. The board will however view violations of financial policies as especially serious.
6. The board will decide the last regular meeting of the calendar year on CEO salary and benefits based on: market conditions, performance as measured by monitoring, SEBA’s financial ability.

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: BOARD-MANAGEMENT LINKAGE**

Last updated: April 16, 2015 by Wanda Jewell

**24A. MONITORING SCHEDULE**

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>
1. Global	Internal	Annually
2. Treatment of Consumers	Internal	Annually
3. Treatment of Staff	Internal	Annually
7. Asset Protection	Internal	Semi-Annually
	External	Annually
4. Financial Planning/Budgeting	Internal	Annually
5. Financial Condition & Activities	Internal	Three Times a Year
	External	Annually
6. Emergency CEO Succession	Internal	Annually
8. Compensation & Benefits	Internal	Annually
9. Communication & Support	Direct Inspection	Semi-Annually
25. Ends	Internal	Annually

**MONITORING REPORT SCHEDULE**

Monitoring to receive prior to Meeting One:

Global Executive Constraint – Internal

Treatment of Consumers – Internal

Treatment of Staff – Internal

Financial Planning/Budgeting – Internal & External

Actual Financial Conditions and Activities – Internal

Emergency CEO Succession – Internal

Asset Protection – Internal & External

Compensation and Benefits – Internal

Monitoring to receive prior to Meeting Two:

5. Actual Financial Condition and Activities – Internal

9. Communication and Support to the Board – Direct Inspection

Monitoring to receive prior to Meeting Three

5. Actual Financial Condition and Activities – Internal

7. Asset Protection – Internal

9. Communication and Support to the Board – Direct Inspection

25. Mega-End – Internal

**TAB 1: SEBA GOVERNANCE POLICY — POLICY TYPE: ENDS**

Last updated: September 22, 2016 by Wanda Jewell

**POLICY TYPE: ENDS**

**25. POLICY TITLE: *MEGA-END***

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SEBA exists for conditions conducive to core member success, to the extent that justifies expenditure of available resources.

Accordingly, in order of priority

1. Core Members will have skills/capabilities that contribute to their short and long term viability.
2. Core Members will have resources and information that foster innovation and experimentation and will have opportunities to share any knowledge learned.
3. Core Members will have resources and information that increase awareness of Southern Independent bookstores' importance within our industry.
4. Core Members will have resources and information to increase public awareness of their importance in the community.