

INTERNAL MONITORING REPORT

1.POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Global Executive Constraint” according to the schedule set out. I certify that the information contained in this report is true.

Signed  ,CEO
Wanda Jewell (Mar 2017)

Date March 8, 2017

BROADEST POLICY PROVISION:

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.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

There is no case in which it would be justified for the CEO or anyone who acts at the direction of the CEO to break the law, make thoughtless decisions, and behave unprofessionally or without consideration of the highest ethical standards. I submit that the board has further interpreted this policy in its subsequent policy provisions.

DATA:

A thoughtful review of SIBA’s activities over the last six months reveals a high regard for the law, prudence, and ethics. Decisions made by the CEO have been legal, ethical and prudent. I submit that the data provided in the subsequent policy provisions further supports adherence to this policy.

I report compliance.

INTERNAL MONITORING REPORT

2. POLICY TITLE: *TREATMENT OF CONSUMERS*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Treatment of Consumers” according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell _____,CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

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.

CEO’S INTERPRETATION:

Interpretations CHANGED since last report

It would be unreasonable if consumers (members of SIBA) discontinued membership in SIBA in large numbers due to any reaction to negative behavior condoned or carried out by the CEO. If core membership were to drop by more than 25%, that would indicate a lack of compliance.

DATA:

2016 core membership topped at 144. 2015 – 118, 2014 – 110. Were membership to drop from 144 to 108 in 2017, it would be a clear sign of alienation.

I report compliance.

INTERNAL MONITORING REPORT

3.POLICY TITLE: *TREATMENT OF STAFF*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Treatment of Staff” according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell, CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

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:

CEO’S INTERPRETATIONS:

Interpretations CHANGED since last report

I submit that the board has comprehensively interpreted this policy in its subsequent policy provisions. My interpretations and data will be prescribed with those provisions, below.

POLICY PROVISION #1:

The CEO shall not 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.

CEO’S INTERPRETATIONS:

Interpretations CHANGED since last report

It would be unreasonable to hold staff against standards that are unknown to them. All staff and volunteers will sign a letter of understandings & expectations which will be kept on file. Besides clarifying rules for staff, this document will also establish a grievance process, and provide protection against wrongful conditions. Failure to have letter, signed, and on file, for everyone who does work for SIBA either as a volunteer or contractor or freelancer on file by this time next year will result in non-compliance.

DATA:

This letter of understanding & expectations is being created this year and will be signed by everyone and on file by the end of the year.

I report compliance.

POLICY PROVISION #2:

The CEO shall not discriminate against any paid staff member for non-disruptive expression of dissent.

CEO'S INTERPRETATIONS:

Interpretations CHANGED since last report.

Any staff member may express themselves without concern that they will be discriminated against by the CEO on any matter. October Publishing has agreed to act as a clearing house for dissent.

DATA:

Everyone that works with SIBA are encouraged to express themselves on all matters around their work and do without any discrimination. An interview with SIBA's longest-running year-round independent contractor netted assurance that she has absolutely no worry disagreeing with me if the situation calls for it. Going forward the letter of understanding & expectations will encourage anyone working with SIBA to share any dissent with Nicki and she will protect the anonymity of the dissenter if requested.

I report compliance.

POLICY PROVISION #3:

The CEO shall not fail to acquaint staff with the CEO's interpretation of their protections under this policy.

CEO'S INTERPRETATIONS:

Interpretations CHANGED since last report

Staff will be provided access to these policies, their interpretations, and the supporting data in the form of the letter of understanding and expectation. This policy, the interpretations, and data will be available upon request.

DATA:

This monitoring report is available to staff.

I report compliance.

INTERNAL MONITORING REPORT

4.POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Financial Planning/Budgeting according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell , CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

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.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

The budget should support the board’s ends, should not endanger the assets, and should consider more than one year’s income and expenses.

DATA:

The budget supports the board’s ends as the Ends monitoring report will reveal. Assets have not been endangered and the budget considers 3 –5 years income & expenses when being created. The current budget is available for viewing on the board docs page.

I report compliance.

POLICY PROVISION #1

The CEO shall not risk the organization incurring those situations or conditions described as unacceptable in the board’s policy Financial Condition and Activities.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

Interpretations of the board policy Financial Condition and Activities can be found on that specific monitoring report.

DATA:

Data can be found there also.

I report compliance.

POLICY PROVISION #2

The CEO shall not fail to include credible projection of revenues, expenses, and cash flow; separation of capital and operational items, and disclosure of planning assumptions.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

A credible projection is one that is believable. Capital items are defined as items valued at \$5000 or more and have a life of over one year. Cash flow means that there is a sufficient amount of cash for operations. Disclosure of planning assumptions means that the reasoning behind projections can be explained.

DATA:

The projection of revenues and expenses is conservative with projected revenues being slightly underestimated and expenses being slightly overestimated. The 2017 budget has no capital items in it. Though cash flow continues to be challenging, normal operating activity has been adjusted to produce a positive cash flow. There appears to be a sufficient amount of cash in the checking account for operations. Projections are based on previous years' and on means to the ends. The 2017 budget was projected on past years with attention to current economic & industry concerns.

I report compliance.

POLICY PROVISION #3

The CEO shall not provide less for board prerogatives during the year than is set forth in the Cost of Governance policy.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

I interpret this to mean that the board will have the funds it has set forth to govern.

DATA:

The budget reflects the funds the board requested for 2017 in the amount of \$44,000.

I report compliance.

POLICY PROVISION #4

The CEO shall not include an amount for CEO Salary & Benefits until that amount has been determined solely by the board.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

The board is totally responsible for determining the CEO Salary & Benefits and shall not be placed in the budget before the board has determined the amount.

DATA:

The CEO Salary & Benefits in the current budget were determined by the Board in SEP 2016 before the budget was created in FEB 2017.

I report compliance.

INTERNAL MONITORING REPORT

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

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Actual Financial Conditions and Activities” according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell , CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

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.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

I submit that the board has comprehensively interpreted this policy in its subsequent policy provisions. My interpretations and data will be described with those provisions, below.

POLICY PROVISION #1:

The CEO shall not overdraw the checking account.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

Allowing a check to bounce could do harm to SIBA's reputation and make it harder to accomplish our mission. A buffer amount of \$1000 will be kept in the checking account at all times.

DATA:

All checks have cleared the account without incident. Lowest daily ledger since last report was \$13,910.

I report compliance.

POLICY PROVISION #2:

The CEO shall not use the board reserve fund without board approval.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

The board reserve fund is used at the discretion of the board and will not be withdrawn for use of any kind by the CEO unless authorized by the board.

DATA:

The Board Reserve Fund currently holds \$116,010 of SIBA funds placed with Bank of America and no funds were withdrawn in 2016 or to date, 2017.

I report compliance.

POLICY PROVISION #3:

The CEO shall not fail to settle payroll and debts in a timely manner.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

Payroll and debts are funds that SIBA owes to others. A timely manner is the 1st and 15th of each month for payroll and before any penalties, interest, or duns are applied to debts. More than two late payments between monitoring reports will be seen as a pattern and will constitute failure to comply.

DATA:

Since the last monitoring report, the CEO has met payroll the 1st and 15th of each month and has paid all bills except for those that are not yet due. I am maintaining a log of any late fees or payments as of Jan, 2017. As of today, there are no items in the log.

I report compliance.

POLICY PROVISION #4:

The CEO shall not allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

CEO'S INTERPRETATION:

Interpretations **changed since last report**

SEBA's only tax payments are for payroll withholding as we are a 501C6. All quarterly payroll reports are filed with the IRS and Dept. of SC Revenue when due. More than three late or inaccurate payments between monitoring reports will be seen as a pattern and will constitute failure to comply.

DATA:

The accountant failed to make transfers for the 3rd and 4th quarter of 2016. I have taken over responsibility for these payments going forward. The accountant will take personal responsibility for any penalties or late fees as a result of the two late payments referenced above.

I report compliance.

POLICY PROVISION #5:

The CEO shall not acquire, encumber or dispose of real property.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

Acquire is interpreted to mean buy, encumber is interpreted to mean lease, and dispose is interpreted to mean sell. Real property is interpreted to mean land or buildings.

DATA:

SIBA owns no real property and has no real property to lease or sell.

I report compliance.

POLICY PROVISION #6:

The CEO shall not fail to aggressively pursue receivables after a reasonable grace period.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

It would be unreasonable to have more money outstanding for more than 90 days than has been received in the last 90 days. The policy is at least once a month every invoice more than 30 days overdue is contacted with a reminder. After 90 days, a more detailed follow-up is sent, and if no response, a phone call is made. Any outstanding invoice greater than \$150 will be held open for at least a year, and any less than \$150 will be removed nine months from the invoice date.

DATA:

SIBA has received over \$42,000 in the past 90 days and only \$2,096 is outstanding for more than 90 days.

I report compliance.

POLICY PROVISION #7:

The CEO shall not 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.

CEO'S INTERPRETATION:

Interpretations CHANGED since last report

Annual operating revenue is how much total income was realized in the previous fiscal year. Annual operating expenses are how much was spent in the previous fiscal year. As long as the reserve fund is less than 50% of the annual operating expenses of the previous fiscal year, 2% of the total income must be placed in the fund as of 12/31 annually.

DATA:

The total income in 2015 was \$450,000 and the total expenses were \$445,000. The board reserve fund is currently at \$116,000, \$106,500 away from the goal. A total of \$9,000 needed to be added to the board reserve fund in 2016. Amount has increased by \$9,000.

I report compliance.

INTERNAL MONITORING REPORT

6. POLICY TITLE: *EMERGENCY CEO SUCCESSION*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Emergency CEO Succession” according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell, CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

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.

CEO’S INTERPRETATION:

Interpretations CHANGED since last report

It would be unreasonable not to have a plan in place if the CEO were unavailable for any unexpected reason. Failure to have a plan and a designated emergency person would be seen as a failure to comply.

DATA:

The written emergency plan is ongoing and regularly reviewed and updated with Nicki Leone. Nicki Leone has agreed to serve as the SIBA back up person. Nicki can be reached at 910.264.2101. Our Mack Truck Scenario Week was a qualified success. Steps taken to ensure SIBA continue to run and meet its obligation met with no significant issues.

I report compliance.

INTERNAL MONITORING REPORT
7. POLICY TITLE: *ASSET PROTECTION*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Asset Protection” according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell, CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

I submit that the board has comprehensively interpreted this policy in its subsequent policy provisions. My interpretations and data will be described with those provisions, below.

POLICY PROVISION #1

The CEO shall not 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.

CEO’S INTERPRETATION:

Interpretations **changed since last report**

Insurance against general liability and directors and officers liability must be purchased annually and should be for an amount no less than the average for other regional associations, 501c6 organizations, and other trade associations.

DATA:

Created by ABA, the League of Independent Book Retailer Insurance Services has been working with independent bookstores and publishers since 1997. LIBRIS works directly with business owners as well as with the regional associations providing insurance to most of us and is able to offer advice and guidance as to how much and what we should have. We have moved out GL and DNO to LIBRIS and have the appropriate amount of coverage.

I report compliance.

POLICY PROVISION #2

The CEO shall not allow unbonded personnel access to material amounts of funds.

CEO’s INTERPRETATION:

Interpretations **CHANGED since last report**

It would be unreasonable to allow for personnel to have access to SIBA funds without any protections in place against theft.

DATA:

A review of our insurance covering employee wrongdoing shows that all employees who have access as defined are listed. Checks are kept in secure office. SIBA is also CMI compliant.

I report compliance.

POLICY PROVISION #3

The CEO shall not unnecessarily expose the organization, its board or staff to claims of liability.

CEO'S INTERPRETATION:

Interpretations CHANGED since last report

It would be unreasonable to act in a way that would place any aspect of SIBA at risk for lawsuits. If SIBA were to be sued as a result of the CEO's actions, this would be a clear indication that CEO behavior was outside the norms.

DATA:

There are no lawsuits against SIBA at this time.

I report compliance.

POLICY PROVISION #4

The CEO shall not 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.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

Conflict of interest is defined as allowing purchasing decisions to be made on the basis of improper preference. Purchases over \$40,000 require comparative pricing. Comparisons need to be noted. The lowest price need not be chosen. Exceptions are when there are no or few options. A stringent method of assuring the balance of long term quality and cost is always an RFP process.

DATA:

The only check for over \$40,000 was for the SIBA Discovery Show and the RFP process only becomes more stringent.

I report compliance.

POLICY PROVISION #5

The CEO shall not fail to protect intellectual property, information and files from loss or significant damage.

CEO'S INTERPRETATION:

Interpretations unchanged since last report

Intellectual property is interpreted to mean our property as well as that of others. We use significant amounts of the intellectual property of others, including software, and systems that

are trademarked as the property of others. The property of others may not be bootlegged, or used without attribution. Information and files are those referring to personnel, finances, customers, maintenance, and the myriad of other pursuits of the organization. Loss or damage that results from computer problems such as viruses, hacking or system failure must be prevented. Loss or damage due to fire, flood or theft must also be prevented.

DATA:

There is no bootlegged software programs used in our organization. Use of intellectual property is properly attributed in our publications. We have a computer back-up system and virus protection for our computer files. SIBA files are backed up twice a day. Our office hardware is protected by AVG Pro edition and was just upgraded to the 2017 version. We also have updated security measures on all websites and ecommerce segments of said websites provided by Sucuri.net. Sites are scanned every three hours for potential security breaches. Computers are password protected.

I report compliance.

POLICY PROVISION #6

The CEO shall not receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.

CEO's INTERPRETATION:

Interpretations CHANGED since last report

It would be unreasonable for the CEO to ignore standards set forth by the auditor.

DATA:

The auditor has reviewed the process for the management of funds. The opinion is that the standard is being met.

I report compliance.

POLICY PROVISION #7

The CEO shall not 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.

CEO's INTERPRETATION:

Interpretations unchanged since last report

Operating Capital is the funds in the checking account, which need to be held in a FDIC bank account that earns interest.

DATA:

Operating capital is maintained in an interest-bearing, government-insured account at Bank of America.

I report compliance.

POLICY PROVISION #8

The CEO shall not endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.

CEO INTERPRETATION:

Interpretations CHANGED since last report

SIBA's reputation is an asset and it would be unreasonable for the CEO to do anything that puts that reputation at risk, particularly with respect to SIBA's reason for being, and that is accomplishing the Mega-Ends. Failure to meet every Mega-End across the board would be evidence that the CEO had most likely put SIBA's reputation at risk.

DATA:

Currently, all mega-ends were met.

I report compliance.

POLICY PROVISION #9

The CEO shall not create or purchase any subsidiary corporation.

CEO INTERPRETATION:

Interpretations unchanged since last report

Do not buy or create any businesses.

DATA:

No businesses have been created or purchased.

I report compliance.

INTERNAL MONITORING REPORT

8. POLICY TITLE: *COMPENSATION AND BENEFITS*

FEB, 2017

I hereby present my monitoring report on your Executive Limitations policy “Compensation and Benefits” according to the schedule set out. I certify that the information contained in this report is true.

Signed Wanda Jewell, CEO

Date March 8, 2017

BROADEST POLICY PROVISION:

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.

CEO’S INTERPRETATION:

Interpretations unchanged since last report

Employment is interpreted as those persons who become employed by the association. At this time, SIBA has only one employee, the CEO. Compensation and benefits are defined as what SIBA gives a person in exchange for their work. Employees, consultants and contract workers are persons that SIBA pays in exchange for their work. Volunteers are those persons who work on behalf of SIBA without remuneration. Fiscal integrity is where compensation matches the activities performed and public image is where those who perform the activities are treated in such a manner that public image is enhanced.

DATA:

SIBA uses the internet, other association executive directors, and local resources to determine fair compensation for the professionals that SIBA works with, the contract labor that SIBA uses, and the services that SIBA is provided. Beloved volunteers keep coming back for more. This indicates their passion for the industry and speaks to the treatment volunteers receive when they work with SIBA. SIBA’s staff & volunteers are quite long-term. SIBA has many volunteers that have been doing so for seven or more years.

I report compliance.



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