

INTERNAL MONITORING REPORT

1. POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT*

FEB 2013

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

Date _____

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 2013

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 _____, CEO

Date _____

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:

(Interpretation Has Not Changed Since Last Report)

Interactions are defined as any encounter. Consumers are persons who are a member, vendor, or exhibitor or a potential member, vendor, or exhibitor, or any person with whom SIBA has contact. Conditions, procedures, or decisions are defined as anything the CEO or someone acting at the direction of the CEO may ask of a consumer or potential consumer. Unsafe is defined as bringing harm to a person, undignified is defined as bringing shame to a person, unduly inconvenient is defined as creating unnecessary obstacles, unnecessarily intrusive is defined as gathering of data that is not needed and will not be used. Reflecting personal prejudice is allowing a bias to influence treatment. More than two dozen consumer complaints annually would be defined as too many.

DATA:

Surveys of trade show attendees and exhibitors shows a consistent positive score in their opinion of the staff. The CEO holds a trade show planning meeting every year before the show where the treatment of consumers is reviewed with the staff and volunteers. We are often told by publicists, publishers, and sales reps alike that SIBA is their favorite show because it is the easiest and most pleasant with which to work. Any difficult encounters are handled in a frank and direct manner and the CEO makes every effort to take all of the responsibility for any consumers' dissatisfaction and always thanks the consumer for making their feelings known. All forms and publications and the website are reviewed on an annual basis at the very least to determine if data is still necessary. Everyone is treated with respect. There have been less than two dozen complaints over the last 12 months.

I report compliance.

INTERNAL MONITORING REPORT

3. POLICY TITLE: *TREATMENT OF STAFF*

FEB 2013

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 _____, CEO

Date _____

BROADEST POLICY DIVISION:

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

CEO'S INTERPRETATIONS:

(Interpretations Unchanged Since Last Report)

Paid and volunteer staffs are those persons who work at the direction of the CEO. Unfair conditions are those that favor one staff member over another. Undignified is defined as bring shame to a person, disorganized is defined as materials that are without order and unclear is defined as directions that are without order. Discrimination on the basis of sexual orientation would be defined as an unfair condition. Annually, more than 5 complaints from more than a single staff member will be deemed non-compliant.

DATA:

All staff that works with the CEO report a favorable working environment where the conditions are fair and dignified, organized and clear, nor has any staff member reported discrimination based on sexual orientation. Easily, over 80% of SIBA volunteers have continued to volunteer for at least 6 years which indicates a high degree of satisfaction with the environment and the CEO. SIBA has recorded zero complaints from staff and volunteers in the past year.

I report compliance.

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 Unchanged Since Last Report)

Written personnel rules are interpreted to mean that items of concern to employees will be in a written format that they have access to. Clarify rules means that expectations and benefits for that employee are outlined clearly. To protect against wrongful conditions is to provide in writing protections for the employee so that they are safe to explore injustices they feel are encountered.

DATA:

SIBA Employee information has been created and is available to employees. At this time, SIBA has no employees except for the CEO. I consider the Governance documents to be the written personnel rules.

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 Unchanged Since Last Report)

A paid staff member may express themselves without concern that they will be discriminated against by the CEO.

DATA:

The independent contractors that do work with SIBA are encouraged to express themselves on all matters around their work and do without any discrimination.

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 Unchanged Since Last Report)

Staff will be provided access to these policies, their interpretations, and the supporting data in the form of the written policies. This policy, the interpretations, and data will be part of the written personnel rules.

DATA:

This monitoring report is available to SIBA staff.

I report compliance.

INTERNAL MONITORING REPORT

4. POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

FEB 2013

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 _____, CEO

Date _____

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.

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 and 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 2013 budget has no capital items in it. 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 2013 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 funds the board has requested for 2013 total \$40,000 and the budget reflects that amount.

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 before the budget was created.

I report compliance.

INTERNAL MONITORING REPORT

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

FEB 2013

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 _____, CEO

Date _____

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.

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)

Do not commit at any time in the current fiscal year more money than available in the general account.

DATA:

SIBA currently has \$58,988 in the checking account and has not overdrawn the account. 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 \$40,529 of SIBA funds placed with Prudential Financial. An approved withdrawal of \$36,000 was made in Sep. of 2012. GABBS Atlanta is paying in \$16,000 over 2013 and SIBA is returning the additional \$20,000 from the checking account to the board reserve fund. No other withdrawals have been made.

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.

DATA:

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 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 Unchanged Since Last Report)

All payments to the government should be timely and error-free.

DATA:

To date, all payments, tax and otherwise, have been filed accurately and paid on time.

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 changed since last report)

Aggressively pursue is to attempt to collect payment regularly via mail, email, phone and fax. A reasonable grace period is 30 – 90 days industry wide. Aggressive pursuit is defined as less than

20% value of outstanding invoices fall outside the grace period.

DATA:

Nearly \$350,000 is invoiced and paid annually. Outstanding as of Feb 7, 2013 is a total of \$14,647. Twenty percent would be \$2928 and we have \$2897 outside of the grace period.

I report compliance.

INTERNAL MONITORING REPORT

6. POLICY TITLE: *EMERGENCY CEO SUCCESSION*

FEB 2013

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 _____, CEO

Date _____

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 unchanged since last report)

A sudden loss is one that is unexpected and where the current CEO cannot perform. A written emergency plan is documentation of the workings and standing of the organization. A designated emergency person is someone who is provided access to the written emergency plan and has agreed to implement the emergency plan.

DATA:

The written emergency plan is in process and is 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

I report compliance.

INTERNAL MONITORING REPORT

7. POLICY TITLE: ASSET PROTECTION

FEB 2013

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 _____, CEO

Date _____

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 Unchanged 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, which is \$1m coverage each.

DATA:

General Liability Insurance and Directors and Officers Liability Insurance provided by Reese Insurance Associates is in place for board members, staff and the organization itself, and is in the amounts of \$1m each. This is in line with other regional 501c6 trade associations according to ASAE insurance expert, Ed Armstrong (2026262869) and in line with the other bookselling regional organizations. The percentage of total revenue spent on insurance is in line with comparable organizations according to ASAE's Operation Ratio Report.

I report compliance.

POLICY PROVISION #2

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

CEO's INTERPRETATION:

(Interpretations Unchanged Since Last Report)

Unbonded personnel is interpreted to mean any employees who are refused inclusion in the organization's insurance against employee wrongdoing. Material means any amount over \$5000. This interpretation is based on advice received from the organization's accountant. And funds meannot only the amount mentioned above but also the organization's checks.

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 Unchanged Since Last Report)

Unnecessary exposure to claims of liability is interpreted to mean allowing risks to be taken that are not called for in the normal course of business. In our field, the most prominent examples are in the areas of fair trade and anti-trust and so my interpretation includes that special attention is paid to these areas of risk.

DATA:

In cases where exposure was likely, approved safeguards have been put in place.

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 checks for over \$40,000 were for the SIBA Trade 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.

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 Unchanged Since Last Report)

Receive, process or disburse is interpreted to mean in any way to come in contact with or handle funds that belong to SIBA. Funds are interpreted to mean any item(s) that have cash value.

DATA:

The auditor has reviewed the process for the management of funds. His 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 account fully insured by government funds.

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 Unchanged Since Last Report)

I interpret endanger to mean to act in a reckless way, and the organization's public image or credibility is interpreted to mean the opinion of our members and others in the industry. I interpret ways that would hinder its accomplishment of Ends to mean the opinion of the members that the image is of such a quality that they think that it interferes with the effectiveness. I interpret that if endangerment occurred that someone would tell us about it in some form.

DATA:

All surveys to date indicate that the opinion of SIBA is high and enhances its ability to carry out its Ends. I have not received notification that anyone has expressed a perception of endangerment.

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 2013

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 _____, CEO

Date _____

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.