

SEBA BOARD NOTEBOOK

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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*

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*

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*

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*

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*

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*

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*

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*

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*

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*

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*

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*

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*

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

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*

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*

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*

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*

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*

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*

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*

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*

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*

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*

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*

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

POLICY TYPE: ENDS

25. POLICY TITLE: *MEGA-END*

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.

AMENDED AND RESTATED BYLAWS

- ARTICLE I – STATEMENT OF PURPOSE
- ARTICLE II – MEMBERSHIP
- ARTICLE III – RESERVED FOR CONTENT
- ARTICLE IV – MEETINGS OF MEMBERS
- ARTICLE V – DIRECTORS
- ARTICLE VI – OFFICERS
- ARTICLE VII – ELECTIONS
- ARTICLE VIII – INDEMNIFICATION
- ARTICLE IX – AMENDMENTS

**Amended & Restated
By-Laws of the Southeast Booksellers Association, LTD.**

As of March, 2010

ARTICLE I – STATEMENT OF PURPOSE

The name of this voluntary non-profit organization shall be the Southeast Booksellers Association, LTD and shall be known as and do business as the Southern Independent Booksellers Alliance and exists to empower, promote, and celebrate core member bookstores in a spirit of partnership.

ARTICLE II – MEMBERSHIP

Members.

Membership in this association shall be as follows:

1. Classification

(a) Core

Independent, privately held, brick & mortar, commercially zoned bookstores with a retail storefront, in our region will constitute the core members. Only owners and/or staff of core members may serve as officers or Directors of the Corporation. Core Members are entitled to one vote at meetings or in other official balloting procedures of the Corporation.

(b) Associate

Any individual who is directly or indirectly engaged in the book industry, including, but not limited to individuals engaged in the wholesale or retail sale of books, individuals in the business of publishing, and/or representatives of publishing companies.

Associate members shall pay dues as determined by the Board of Directors.

Retail and wholesale establishments, publishing enterprises and other companies and firms which desire to have an associate membership in this Association shall each appoint one person per establishment to serve as a member representative in the Association. The membership may be held in the name of the person who is the member representative or in the name of the business establishment.

(c) Emeritus

The Board of Directors may from time to time elect certain individuals to Emeritus membership, by a majority vote of the Board of Directors at any meeting of the Board of Directors, who have given outstanding service to the Corporation and who have been members in good standing for five years or more. They shall be elected to lifetime membership.

2. EXPULSION

A member of any classification may be expelled for cause without a hearing by an affirmative vote by each member of the Board. An abstention will be viewed as a negative vote. If the vote is not unanimous, the Board must grant the member a hearing if the member so desires. After the hearing or after the member declines the right to a hearing, the member may be expelled for cause after a two-thirds affirmative vote of the Board of Directors.

ARTICLE III – RESERVED FOR CONTENT

ARTICLE IV – MEETINGS OF MEMBERS

1. PURPOSE

An annual meeting will be held with the purpose of sharing with the membership the health of SEBA, and for seeking specific input and suggestions for the future direction of SEBA. Matters required by statute to be stated, which are not so stated in the notice of the meeting may not be transacted.

2. SPECIAL MEETINGS

Special meetings of the members may be called by the President, two Directors or by at least fifteen (15) members entitled to vote at a meeting. A special meeting may be called anytime for any business purpose, unless otherwise prohibited by statute.

3. NOTICE

Written notice stating the place, day and time of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than fifty days before the date of the meeting. If mailed, such notice shall be considered to be delivered when deposited in the United Postal Service, addressed to the member at his/her address as it appears on the membership books of the Corporations, with the correct amount of first class postage on it.

4. QUORUM – ANNUAL MEETING

At the annual meeting of members a majority of members present shall constitute a quorum.

5. VOTING

Each core member is entitled to one vote on each matter submitted to a vote. A vote may be cast either orally, in writing, or in person. All elections for Directors shall be decided by plurality vote; all other matters shall be decided by majority vote.

ARTICLE V – DIRECTORS

1. GENERAL POWERS

The Corporation shall be governed by the Board of Directors.

2. NUMBER OF DIRECTORS

The number of Directors of the Corporation shall be five.

3. COMPOSITION OF BOARD OF DIRECTORS AND ELECTION OF DIRECTORS

There shall be five elected board members who shall be elected by a plurality vote of the members of the Association for three-year terms. Each director's term of office shall begin at the first official meeting of the Board of Directors following his/her election to the Board once that member has complete Carver training. Each elected director shall be entitled to one vote. No elected director shall serve more than six consecutive years.

4. NEWLY CREATED DIRECTORSHIPS AND VACANCIES

A vacancy occurring in the class of Elected Directors on the Board may be filled by the vote of a majority of the Board of Directors or may be filled through a special or regular election. No seat shall be left vacant for more than one year. The Director so chosen shall fill the remainder of the term of the Director replaced.

5. REGULAR AND SPECIAL MEETINGS

- A. Regular meetings shall be held as determined by the Board of Directors.
- B. Special meetings may be called by the President or at least two Directors on two Days notice by mail or twenty-four hours notice by telecommunications device. A brief indication of the nature of the business to be transacted shall be made part of the notice.

6. QUORUM

A quorum shall consist of a majority of the Board of Directors.

7. REMOVAL

Any Director may be removed with or without cause by a majority vote of the members or by a majority vote of the Board of Directors.

ARTICLE VI – OFFICERS

1. NUMBER OF OFFICERS

The officer of the Corporation shall be a President. In the event of the absence of said president, an interim president shall be appointed by a majority of the board.

2. REMOVAL

Any officer or agent elected or appointed by the Board of Directors may be removed by a majority vote of the Board whenever in its judgement the best interests of the Corporation will be served.

ARTICLE VII – ELECTIONS

1. PRESIDENT

The President shall be 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.

2. ELECTION OF OFFICERS

The officers of the Association shall be elected by a majority of the Directors of the Association.

ARTICLE VIII – INDEMNIFICATION

1. DEFINITIONS

As used in this Article, the term:

- A. “Director” means an individual who is or was a director of the corporation or an individual who, while a director of the corporation, is or was serving at the corporation’s request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. “Director” includes, unless the context otherwise, the estate or personal representative of a director.
- B. “Expenses” include attorney’s fees.
- C. “Liability” means the obligation to pay a judgement, settlement, penalty, fine or reasonable expenses incurred with respect to a proceeding.
- D. “Party” includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.
- E. “Proceeding” means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

2. INDEMNIFICATION AUTHORITY

- A. Except as provided in Subsections (C) and (D) of this section, the corporation may indemnify and obligate itself to indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if he acted in a manner he believed in good faith to be in or not opposed to the best interest of the corporation and, in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.
- B. The termination of a proceeding by judgement, order, settlement or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct set forth in Subsection a. of this Section.
- C. The corporation may not indemnify a director under this Article:
 - (i) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or
 - (ii) in connection with any other proceeding in which he was adjudged liable on the basis that personal benefit was improperly received by him.
- D. Indemnification permitted under this article in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

3. MANDATORY INDEMNIFICATION

To the extent that a director has been successful, on the merits or otherwise, in the defense of any proceeding to which he was a party, or in defense of any claim, issue or matter therein, because he is or was a director of the corporation, the corporation may indemnify the director against reasonable expenses incurred by him in connection therewith.

4. ADVANCE FOR EXPENSES

- A. The corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:
 - (i) the director furnishes the corporation a written affirmation of his good faith belief that he has met the standard of conduct set forth in Section 2 of this Article; and
 - (ii) the director furnishes the corporation a written undertaking, executed personally or on his behalf, to repay any advances if it is ultimately determined that he is not entitled to indemnification under this part.
- B. The undertaking required by Paragraph (ii) of Subsection (A) of this Section must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

ARTICLE IX – AMENDMENTS

The By-laws of the corporation may be altered or amended and new By-Laws may be adopted by two thirds of the Core Members, at any annual or special Members' meeting, or by mail; or by the Board of Directors at any regular or special meeting of the Board of Directors, or by mail; provided, however, that if such action is to be taken at a meeting of the Members, or at a meeting of the Board of Directors, notice of the general nature of the proposed change in the By-Laws shall have been given in the notice of the meeting no later than a month in advance. Action by the Members with respect to By-Laws shall be taken by an affirmative vote of a majority of the Members in attendance at any annual or special Members meeting; and action by the Directors with respect to By-Laws shall be taken by an affirmative vote of a two-thirds majority of all Directors then holding office.

MINUTES

archived at sibaweb.com/documents

SIBA Board Minutes

Date/Time: Monday, Sept . 21st, 2015- 1-6pm

Location: Hilton North Raleigh/Midtown, Raleigh, NC, Congressional Room

In Attendance: Jill Hendrix, Jamie Fiocco, Doug Robinson, Linda-Marie Barrett, Erica Merrell, Wanda Jewell

Call to order by Jill Hendrix @ 1:20pm

Motion to acknowledge receipt and approval as to previous monitoring made by Jamie. Doug seconded. Motion passed.

Board discussed Owner-Operator Linkage & Mega-Ends and will look at additional language at the next meeting.

Motion to set 2016 Governance Budget for \$44k made by Linda-Marie. Erica seconded. Motion passed.

Motion to set 2016 CEO Salary to \$94,181, and maintain the SEP percentage of 25% resulting in a total compensation of \$117,726 made by Doug. Jamie seconded. Motion passed.

Motion to reward CEO with one-time 25th Anniversary bonus for job well done of \$2500 made by Jamie. Linda-Marie seconded. Motion passed.

Motion to engage The Hobbs Group to carry out the external audit made by Doug. Jamie seconded. Motion passed.

Motion to add #8 to Policy 11: Governing Style by Erica. Jamie seconded. Motion passed.

Add: 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.

Jamie recused herself from the next discussion.

Motion to send email letter below to ABA President Betsy Burton made by Jill. Linda-Marie seconded. Motion passed.

Dear Betsy Burton, ABA President,

At our recent meeting The SIBA Board of Directors (with Jamie Fiocco recused), voted to send you this letter:

In light of NAIBA & NEIBA's public letters to the ABA re IndieCommerce, the SIBA Board would like to clarify our understanding of the relationship between the ABA and SIBA. We had no official policy on SIBA's end that guided this relationship so we just added the following policy:

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.

Would it be beneficial for the ABA Board and the SIBA Board together to create further policy guiding how we can best support and enhance each other's efforts?

In friendship,

The SIBA Board of Directors

via Jill Hendrix, President

Board Self Evaluation – The board reviewed the following policies:

10. Global Governance Commitment

17. Board Committee Principles

Correct typo #5. Delete duplicate period at the end of the sentence.

18. Board Committee Structure

20. Global Governance-Management Connection

21. Unity of Control

Motion to nominate Jill Hendrix as President of SIBA made by Doug. Jamie seconded. Motion passed.

Motion to approve minutes made by Jamie, seconded by Erica. Motion passed.

Meeting Adjourned.

Meeting Minutes for the SIBA Board of Directors

Wednesday, 5/27/15, 7am -11am at ABA hotel, New York City

In Attendance: Jamie Fiocco, Jill Hendrix, Doug Robinson, Linda-Marie Barrett, Erica Merrell, Wanda Jewell

Call to order.

Motion to acknowledge receipt and approval of monitoring reports made by Jamie. Second by Doug. Motion passed.

Motion to finalize board slate: Doug Robinson (Eagle Eye Bookshop) and Stephanie Crowe (Page & Palette) made by Jamie. Second by Linda-Marie. Motion passed.

Advisory Council will receive a survey of the board questions Aug. 1 to respond by Aug. 7. Results will be compiled for discussion at Advisory Meeting at SIBA at 9:15-10am in Booksellers Lounge. Board discussed their responses to their four questions.

Policy Changes**3. Treatment of Staff**

Motion to change "sexual orientation." to "sexual orientation or gender identity." Made by Erica. Second by Jamie. Motion passed.

Linda-Marie moved to accept Jill's Draft 13A. Suggested Annual Meeting Schedule to Assist in Agenda Planning. Jamie second. Motion passed.

See below.

Doug moved to accept the following changes to Policy 14. Board Nominations & Elections. Linda-Marie Second. Motion passed.

1B. Change "first meeting of the year" to "first meeting of the year (Meeting One)"

1D. Change "at second regular board meeting" to "by second regular board meeting (Meeting Two)".

2A. Change "second and third regular board meetings" to second and third regular board meetings "(between Meeting Two and Meeting Three)".

2B. Change "last regular board meeting" to "last regular board meeting (Meeting Three)".

Linda-Marie moved to change 16. Board Members' Code of Conduct: -Add: "7. Members will submit expense reports for reimbursement no later than 60 days after the expense was incurred." Erica second. Motion passed.

Board Self Evaluated the following policies:

15. CGO Role

19. Cost of Governance

22. Accountability of the CEO

23. Delegation to the CEO

24, 24a Monitoring CEO Performance

Erica move to approve Minutes as read. Jamie Second. Motion passed.

Meeting adjourned.

Jill's Draft 13A.**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

TAB 3: MINUTES

Last updated: November 18, 2015 by Wanda Jewell

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

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

Board Self Evaluation – Review the following policies:

10. Global Governance Commitment

17. Board Committee Principles

18. Board Committee Structure

TAB 3: MINUTES

Last updated: November 18, 2015 by Wanda Jewell

20. Global Governance-Management Connection

21. Unity of Control

Elect upcoming President

Minutes

Adjourn

Incidental Info Provided

SIBA Board Meeting Minutes

**Place: The Westin Peachtree, Atlanta, GA (Room Chastain B) Date/Time: Sunday, Mar 15,
8am – 1pm**

In attendance: Jill Hendrix, Jamie Fiocco, Erica Merrell, Doug Robinson, Linda-Marie Barrett, and Wanda Jewell

Call to order

Jamie moved that acknowledgement of receipt and subsequent discussion and approval of the External Audit as a monitoring report. Linda Marie second. So moved.

Doug moved that acknowledgement of receipt and subsequent discussion and approval of the Internal monitoring reports. Jamie second. So moved.

Schedule Call for Board Nominations

Two seats up for election: Jamie & Doug. Jamie is term-limited and cannot run. Doug, is eligible and willing to run again.

Jamie moved that Doug be placed on board slate. Erica second. So moved.

Call for Nominations to the Board of Directors will be sent by April 1 and candidates will be interviewed before Meeting Two.

Plan to link owners & operators

Board Statement -

SIBA exists to provide education to ensure our members' success within their communities.

Board Questions -

What is your store's biggest challenge?

What growth opportunity for your store are you most excited about?

What is the one thing about our industry that most frustrates you?

Is there an issue that you can't solve at the store level that SIBA can help you with?

Data-gathering plans:

-Linda-Marie will include board questions in store visits.

-Each board member will have yall buttons and be assigned one of the above questions to use as a conversation starter at informal face to face meetings with SIBA members at BEA, WI, SIBA, etc.

-Triangle Revival (JULY), Asheville Revival (tc) will focus on getting answers to above questions in a portion of the day

-Advisory Council – Board & Advisory Members will meet on Saturday of SIBA at 9:15am in Bookseller Lounge to discuss board questions

-SITS & GABBS – Day of Education focuses around Board Questions

Training – Trends Training Seminar to understand how to interpret data.

Policy Changes

(must be added to agenda at least 2 weeks prior to meeting date)

Jamie moves that Policy 13.a. Meeting Zero -

ADD "all incidentals, including meals."

STRIKE "SIBA buys dinner over.....but are not required." AND "SIBA will pay for these breakfasts."

Linda-Marie second. So moved.

Linda-Marie moves that Policy 24a include a Monitoring Report Schedule. Doug second. So moved.

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

Board will publish public schedule of Board Meetings.

Board Self Evaluation - review the following policies

Governing Style

Board Job Description

13a Agenda Planning

Board Nominations & Elections

16. Board Members' Code of Conduct Jamie Jamie moved to approve Minutes as read. Erica second. So moved.

Meeting Adjourned

SIBA 2014 Minutes Meeting 3; Sep. 22, Norfolk, VA

In attendance: Jamie Fiocco, Doug Robinson, Tom Lowenburg, Jill Hendrix, Jeff McCord,

Executive Director Wanda Jewell

Meeting Called to Order by Jamie Fiocco

Monitoring Reports - Motion to acknowledge receipt and approval of amended monitoring reports made by Jill, Seconded by Jeff, So moved.

Mega-Ends – Wanda will drill down on survey issues and look closely at Policy Provision 1 results.

Review Owners & Operators Link Info – train on YM & hold Advisory Meeting at GABBS

Policy Work -

24A – Motion to increase monitoring reports of Financial Condition & Activities from two to three times a year by Doug, Second by Jill, So moved.

19a – Check with auditors about board reimbursement parameters.

Motion to change Policy 19a to the below by Jill, Second by Doug, so moved.

2. Costs will be prudently incurred though not at the expense of endangering the development and maintenance of superior capability.

- A. Up to \$14,000 annually for professional fees to include the external audit, accounting, and any professional fees deemed necessary by the Board of Directors.
- B. Up to \$16,000 annually for board meetings and other meetings deemed necessary by the Board of Directors to include hotel, travel and other related expenses.
- C. Up to \$7,000 annually for board training and information gathering to include Carver Training and Winter Institute and other conferences & workshops.
- D. Up to \$7,000 annually toward information gathering and internal monitoring.

Budget Info –

Governance Budget Line set for \$44,000

Motion to increase the Exec Dir Salary to \$89,696 and maintain the SEP percentage of 25%, resulting in a total compensation of \$112,120 made by Doug, Second by Jeff, so moved.

All of the listed policies were evaluated by the Board:

- 10. Global Governance Commitment
- 17. Board Committee Principles
- 18. Board Committee Structure
- 20. Global Governance-Management Connection
- 21. Unity of Control

Motion to amend Policy 11 as read made by Jeff, second by Jill, so moved.

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.

Motion to amend Policy 14.2.B – and add the following second sentence:

The term shall be for the following calendar year.

Motion made by Doug, Second by Tom, so moved.

Election of President -

Motion to nominate Jill Hendrix as President of SIBA made by Jamie, Second by Doug, So moved.

New Directors assigned to the following seats:

Linda-Marie Barrett assigned to Lafcadio Hearn Seat

Erica Merrell assigned to Flannery O'Connor Seat

Minutes read aloud for approval. Motion that minutes be accepted as read by Doug, Second by Jill, So moved.

Meeting Adjourned

Minutes of the SIBA Board of Directors – Wed May 28 – NYC

Present: Jamie Fiocco, Jill Hendrix, Jeff McCord, Tom Lowenberg, Doug Robinson, Wanda Jewell

Meeting called to order by Jamie Fiocco

Discuss nominee interviews & prepare slate.

Slated directors:

Erica Merrell, Wild Iris Books FL

Shane Gotwalls, Gotwalls Books GA

Tom Lowenberg, Octavia Books, LA

Kelly Justice, Fountain Bookstore, VA

Linda Barrett, Malaprops, NC

Motion to accept slate as presented made by Jeff. Seconded by Jill. Motion carries.

New Advisory Candidates:

Cathy (Cat) Blanco, Book Exchange, GA

Kimberly Daniels-Taws, The Country Bookshop, NC

Brian Lampkin, Scuppernong Books, NC

Meeting One agenda – Motion to add “Discuss results of previous year’s plan to link owners & operations” between “Schedule Call for Board Nominations” and “Plan to link owners and operators” made by Jill. Seconded by Doug. Motion carries.

Board Self Evaluation:

Reviewed the following policies:

15. CGO Role

19. Cost of Governance

22. Accountability of the CEO

23. Delegation to the CEO

24, 24a Monitoring CEO Performance

Motion made to approve minutes as read by Jill. Seconded by Doug. Motion carries.

Meeting adjourned.

MONITORING REPORTS

archived at sibaweb.com/documents

1. POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT*

FEB 2015

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.

2. POLICY TITLE: *TREATMENT OF CONSUMERS*

FEB 2015

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.

3. POLICY TITLE: *TREATMENT OF STAFF*

FEB 2015

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 7 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 staff.

I report compliance.

INTERNAL MONITORING REPORT

4. POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

FEB 2015

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 2015 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 2015 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 2015 total \$44,000 and the budget reflects that.

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 2015

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 \$11,966 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 \$92,645 of SIBA funds placed with Prudential Financial and no funds were withdrawn in 2014.

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:

To date, 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 unchanged 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 \$400,000 is invoiced and paid annually. Outstanding as of Feb 17, 2015 is a total of \$40,412. Twenty percent would be \$8082 and we have \$4792 outside of the grace period.

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 unchanged since last report)

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

DATA:

Pending final external audit the total income in 2014 was \$460,876 and the total expenses were \$432,946. The board reserve fund is currently at \$92,645, \$123,828 away from the goal. A total of \$9,217 needed to be added to the board reserve fund in 2014. \$16,000 was added to the fund in 2014 meeting the requirement.

I report compliance.

6. POLICY TITLE: *EMERGENCY CEO SUCCESSION*
FEB 2015

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 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

I report compliance.

7. POLICY TITLE: *ASSET PROTECTION*

FEB 2015

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 mean not 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 are 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, government-insured account.

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 2015

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.

INTERNAL MONITORING REPORT

7. ASSET PROTECTION

August 2014

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. Further, without limiting the scope of the foregoing by this enumeration,

CEO’S INTERPRETATION:

(INTERPRETATION 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:

(INTERPRETATION 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, 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:

(INTERPRETATION 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 mean not 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 Executive Director is bonded for up to \$200,000.

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:

(INTERPRETATION 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, safeguards approved by SC law firm 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:

(INTERPRETATION 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:

No checks greater than \$40,000 have been written since the last Asset Protection Monitoring Report.

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:

(INTERPRETATION 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 trade marked 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. We have also updated security measures on all websites and

ecommerce segments of said websites.

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:

(INTERPRETATION 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:

(INTERPRETATION 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:

(INTERPRETATION 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:

(INTERPRETATION 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

5. ACTUAL FINANCIAL CONDITIONS AND ACTIVITIES

August 2014

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. Further, without limiting the scope of the foregoing by this enumeration.

CEO’S INTERPRETATION:

(INTERPRETATION 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:

(INTERPRETATION UNCHANGED SINCE LAST REPORT) SIBA should not overdraw the general account.

DATA:

All checks have cleared the general account without incident.

I report compliance.

POLICY PROVISION #2:

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

CEO’S INTERPRETATION:

(INTERPRETATION 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 \$83,641 (up by \$15,000 from this time last year) of SIBA funds placed with Prudential Financial. No funds have been removed from the Board Reserve Fund.

I report compliance.

POLICY PROVISION #3:

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

CEO’S INTERPRETATION:

(INTERPRETATION 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:

(INTERPRETATION 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.

DATA:

To date and since the last monitoring report, all payments, tax and otherwise, have been paid on time and filed accurately.

I report compliance.

POLICY PROVISION #5:

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

CEO'S INTERPRETATION:

(INTERPRETATION 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:

(INTERPRETATION 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 15% value of outstanding invoices fall outside the grace period.

DATA:

Currently, there are 14 invoices that fall outside of the grace period. Total due equals \$45,252. The outstanding invoices total \$3,541 (less than 15%).

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:

(INTERPRETATION CHANGED SINCE LAST REPORT)

Annual operating revenue is the most recent full year's total income and the annual operating expenses are the most recent full year's total expenses. Monies shall transfer from the operating account to the board reserve fund at the annual rate of at least 2% unless the board reserve fund exceeds 50% of the most recent full year's total expenses.

DATA:

Total income for 2013 was \$404,000. Total expenses for the same time period was \$420,000. The Board Reserve Fund (BRF) is not equal or greater than \$210,000 therefore at least \$8,080 should be added to the BRF in the year 2014. Currently, we are on track to add \$16,000 to the BRF this year.

I report compliance.

INTERNAL MONITORING REPORT

25. MEGA-END

August, 2014

Signed _____, CEO

Date _____

BROADEST POLICY PROVISION:

SIBA exists for conditions conducive to core member success, to the extent that justifies expenditure of available resources accordingly, in order of priority.

CEO'S INTERPRETATION:

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:

Core Members will have skills/capabilities that contribute to their short and long term viability.

CEO'S INTERPRETATION:

(INTERPRETATION UNCHANGED SINCE LAST REPORT) Core members are defined as independent, privately held, brick and mortar bookstores in our region. Skills and capabilities as identified by the board, the industry, or the core members themselves will be provided to the core members. The goal is to survey at least 1/3 of the core members and for at least half of those surveyed respond positively.

DATA:

SIBA has 110 current bookstore members. 37% responded to the survey which is over 1/3 of our core members. 73% (against 96% from last year and years before in the high nineties) of survey respondents indicated that SIBA was succeeding in providing them with skills/capabilities that contributed to their short and long term viability. Highest on the list of contributing SIBA components and all were the Trade Show (63%), SIBA Website (49%), SIBA Listserve (41%), Holiday Catalog (41%), Bestseller List(39%), and Okra Picks (34%). This is the first time that the website, listserve, and Okra Picks have appeared in the top of the list.

I report compliance.

POLICY PROVISION #2:

Core Members will have resources and information to increase public awareness of their importance in the community.

CEO'S INTERPRETATION:

(INTERPRETATION UNCHANGED SINCE LAST REPORT) Core members are defined as independent, privately held, brick and mortar bookstores in our region. Resources and information to increase public awareness of core member importance in the community as identified by the board, the industry, or the core members themselves will be circulated and promoted to core members. SIBA will also seek to have a direct impact on the consumer on behalf of the core members. The goal is to survey at least 1/3 of the core members and for at least half of those surveyed respond positively.

DATA:

SIBA has 110 current bookstore members. 37% responded to the survey which is over 1/3 of our core members. 95% (up from 88% last year) of survey respondents indicated that SIBA was succeeding in providing them with the resources and information to increase public awareness of their store's importance to community. Coming in

the highest were the Trade Show (68%), the book awards (66%), SIBA website (63%), Holiday Catalog (61%) and the SIBA Bestseller list (61%).

I report compliance.

1. POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT*
FEB 2014

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.

2. POLICY TITLE: *TREATMENT OF CONSUMERS*

FEB 2014

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.

3. POLICY TITLE: *TREATMENT OF STAFF*

FEB 2014

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 7 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 2014

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 2014 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 2014 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 2014 total \$44,000 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 2014

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 \$17,115 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 \$76,487 of SIBA funds placed with Prudential Financial and no funds were withdrawn in 2013.

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 on time 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 Unchanged 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 \$400,000 is invoiced and paid annually. Outstanding as of Feb 11, 2014 is a total of \$38,264. Twenty percent would be \$7652 and we have only \$2048 outside of the grace period.

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

DATA:

Pending final external audit the total income in 2013 was \$395,000 and the total expenses were \$400,000. The board reserve fund is currently at \$76,487, \$123,513 away from the goal. A total of \$7,900 needed to be added to the board reserve fund in 2013. \$16,000 was added to the fund in 2013 meeting the requirement for 2013 and putting \$8100 towards 2014's requirement.

I report compliance.

6. POLICY TITLE: *EMERGENCY CEO SUCCESSION*
FEB 2014

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 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

I report compliance.

7. POLICY TITLE: ASSET PROTECTION

FEB 2014

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 mean not 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 2014

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.

QUESTIONS & SURVEYS

CARVER INFORMATION

archived at <http://www.carvergovernance.com/faq.htm>