

SVBC Governance Policies  
Adopted by the Board: December 14, 2006

POLICY 1 – EXECUTIVE DIRECTOR LIMITATIONS  
POLICY 2 – GOVERNANCE PROCESS  
POLICY 3 – BOARD EXECUTIVE DIRECTOR LINKAGE

## POLICY 1 – EXECUTIVE DIRECTOR LIMITATIONS

### Policy 1.1 - Global Executive Constraint

The Executive Director shall not cause or allow any practice, organizational circumstance, activity, or decision that is either imprudent or in violation of commonly accepted business practices or professional ethics.

### Policy 1.2 - Budgeting

Budgeting for any year shall not deviate significantly from priorities set by the board.

1. The budget shall not include greater than 40% of income from a single entity.
2. The Executive Director will report budget projections and actuals to the Treasurer every month.
3. The Treasurer shall report on variances from budget at every board meeting or at least quarterly.

### Guidelines for Midyear Board Review of Budget

In order for the board to maintain general oversight of the financial condition of the organization the board will review the budget at the end of the second quarter of the fiscal year.

### Policy 1.3 - Financial Management

The Executive Director shall operate the coalition in a sound and prudent financial manner. The Executive Director shall not jeopardize the long-term financial condition of the Coalition.

Realizing that income fluctuates throughout the calendar year, and that this leads to both budget uncertainty and cash flow problems at various times throughout the year the Executive Director shall:

1. Maintain adequate assets.
2. Create and maintain a plan for raising funds to meet the budget income for each year and allow the organization to achieve the priorities set forth in the Ends Policies.

3. Notify the board prior to encumbering the organization for more than \$2000.
4. Settle payroll and debts in a timely manner.
5. Use donations in the manner articulated by the donor and in the best interests of the organization.
6. Immediately cash out any donations of stock unless instructed to do otherwise by the Finance Committee.

#### Policy 1.3.1 - Use of donations

Donations to the SVBC must be used in the manner intended by the donor and also in the best interests of the organization. The Executive Director shall:

1. Use restricted contributions only for those purposes allowed by the contribution.
2. Obtain the consent of the board (or board designated committee) before accepting any restricted donations intended to fund a new program which is 10% or more of SVBC's annual budget.
3. Obtain the consent of the board (or board designated committee) before accepting any grant intended to fund a new program which is 25% or more of SVBC's annual budget.
4. However, if the current budget reviewed by the full board includes a new program without a specified funding source and funds are later obtained by donation, grant or contract for that program, the budget review shall be construed as consent of the board.

#### Policy 1.4 – Treatment of Members information

The Executive Director shall take proper precautions to prevent unauthorized and unnecessary access to membership data and personal information.

#### Policy 1.5 - Treatment of paid staff and volunteers

Paid staff and volunteers should receive fair, dignified, and safe treatment and reasonable working conditions.

#### Policy 1.6 - Employee Pay

Wage levels of the SVBC should attract a high quality staff. In general, the SVBC wage level, including wages and benefits, should be fair and consistent with that of other nonprofit organizations with similar budgets and staff responsibilities.

#### Policy 1.7 – Executive Director Code of Conduct

The Executive Director commits himself or herself to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as the Executive Director.

Accordingly:

1. The Executive Director shall act with loyalty to the membership, unconflicted by loyalties to staff, other organizations, and any personal interest as the Executive Director.
2. The Executive Director should present a professional, positive, and consistent image of the organization when communicating in public. The Executive Director should recognize that, even when he or she is not speaking for the organization, he or she is identified with the organization, and his or her conduct will reflect upon SVBC. Accordingly, the Executive Director should observe the following guidelines for successful public presentations:
  - A) Do not make personal attacks, engage in sarcasm or make sarcastic remarks
  - B) Do not make unfounded allegations or state claims that lack factual support
  - C) Do not antagonize others or make comments that escalate potential conflicts
3. The Executive Director must avoid conflict of interest with respect to his or her fiduciary responsibility.
  - A) There will be no self-dealing or business by the Executive Director and the organization except when openness and appropriate competition are ensured.
  - B) The Executive Director will annually disclose his or her involvements with other organizations, with vendors, or any other associations, which might produce a conflict.
4. The Executive Director will respect the confidentiality appropriate to issues of a sensitive nature.

## POLICY 2 – GOVERNANCE PROCESS

### Policy 2.1 - Global Governance Commitment

The purpose of the board, on behalf of *dues paying members* is to see to it that *The Silicon Valley Bicycle Coalition* (a) improves conditions for bicycling in Santa Clara County at an appropriate cost, and (b) avoids unacceptable actions and situations.

### Policy 2.2 – Board Governance

The board will govern with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more 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, not merely a reactor to staff initiatives. The board may use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute the individual judgments for the board's values.
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 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.
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-Executive Director Linkage categories.

### Policy 2.3 - Board Job Description

Specific job outputs of the board, as an informed agent of the membership, are those that ensure appropriate organizational performance.

Accordingly:

1. The board will be the link between the organization and the membership.
2. The board will produce written governance policies, which, at the broadest levels, address each category of organizational decision.
  - 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-Executive Director Linkage: How power is delegated and its proper use monitored; the Executive Director role, authority and accountability.
3. The board will produce assurances of Executive Director performance (against the above policies 2A and 2B).

#### Policy 2.4 - 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 in conjunction with budget review and (b) continually improves board performance through board education and enriched input and deliberation.

#### Policy 2.5 – Role of the Officers

Article 4, Officers, of SVBC's bylaws details the role of each officer of the coalition.

#### Policy 2.6 - Board Members Code of Conduct

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

Accordingly:

1. Board members shall act with loyalty to the membership, unconflicted by loyalties to staff, other organizations, and any personal interest as a member.
2. Board members should present a professional, positive, and consistent image of the organization when communicating in public. Board members should recognize that, even when they are not speaking for the organization, they are identified with the organization, and their conduct will reflect upon SVBC. Accordingly, Board members should observe the following guidelines for successful public presentations:
  - A) Do not make personal attacks, engage in sarcasm or make sarcastic remarks

- B) Do not make unfounded allegations or state claims that lack factual support
- C) Do not antagonize others or make comments that escalate potential conflicts
- 3. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
  - A) There will be no self-dealing or business by a member and the organization except when openness and appropriate competition are ensured.
  - B) When the board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation.
  - C) Board members will annually disclose their involvements with other organizations, with vendors, or any other associations, which might produce a conflict.
- 4. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.
  - A) Board members' interaction with the Executive Director or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.
  - B) Board members individually are not empowered to take positions on behalf of the board. Accordingly, in interactions with the public, press, public officials, or other entities, individual members shall not speak for the board except to express established board positions, policies or the principles of the mission statement. Board members will provide the board and the Executive Director with a copy of any written communication sent on behalf of the organization.
  - C) Board members will not express individual judgements of Executive Director or staff performance.
- 5. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
- 6. Board members will be properly prepared for board deliberation.

Board members are expected to make a substantial financial contribution to SVBC unless their financial circumstances do not allow such a contribution, in which case a board member may fulfill this obligation via a substantial in-kind donation or volunteer effort.

#### Policy 2.7 - Board Committee Structure

A committee is a board committee only if its existence and charge come from the board, regardless of whether board members sit on the committee. The only board committees are those which are approved at and captured in the minutes of a board meeting.

#### Policy 2.8 - 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, as necessary, so that the board can exercise confident control over organizational performance.
  - C) Outreach mechanisms will be used as needed to ensure the board's ability to listen to SVBC members' viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of organizational Ends Policies.

## POLICY 3 – BOARD EXECUTIVE DIRECTOR LINKAGE

### Policy 3.1 - Global Governance-Management Connection

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

### Policy 3.2 - Unity of Control

Only officially passed motions of the board are binding on the Executive Director.

Accordingly:

1. Decisions or instructions of individual board members, officers, or committees are not binding on the Executive Director 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 Executive Director can refuse such requests that require, in the Executive Director 's opinion, a material amount of staff time or funds or are disruptive.

### Policy 3.3 - Accountability of the Executive Director

The Executive Director 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 Executive Director.

Accordingly:

1. The board will never give instructions to persons who report directly or indirectly to the Executive Director.
2. The board will refrain from evaluating, either formally or informally, any staff other than the Executive Director.
3. The board will view Executive Director 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 Executive Director performance.

### Policy 3.4 – Delegation to the Executive Director

The board will instruct the Executive Director through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the Executive Director to use any reasonable interpretation of these policies.

Accordingly:



1. The board will develop policies instructing the Executive Director to achieve certain results, for certain 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 Executive Director 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 Executive Director uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and Executive Director domains. By doing so, the board changes the latitude of choice given to the Executive Director. But as long as any particular delegation is in place, the board will respect and support the Executive Director's choices.

#### Policy 3.5 - Monitoring Executive Director Performance

Systematic and rigorous monitoring of Executive Director job performance will be solely against the only expected Executive Director 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 that 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 Executive Director 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 Executive Director interpretation of the board policy being monitored.
4. All policies which instruct the Executive Director 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.