



Georgia Pharmacy
ASSOCIATION

Board of Directors Governing Policies Manual

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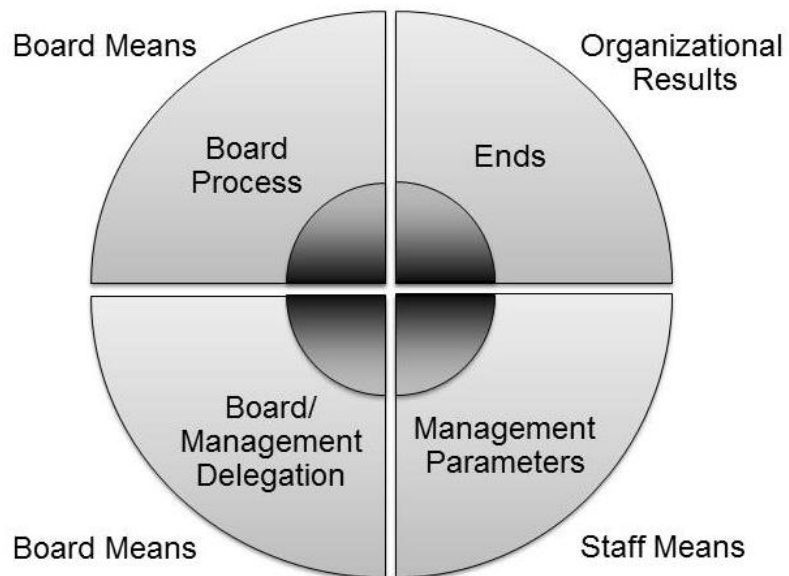


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Introduction

This Governing Policies Manual contains the current standing (ongoing) performance standards, values and expectations of the Board of Directors of the Georgia Pharmacy Association (GPhA).

1. **Purpose:** This Manual is designed to help the Board approach decisions from the perspective of its own, previously established standards, values and expectations by:
 - A. Elevating efficiency of having all ongoing Board policies in one place.
 - B. Quickly orienting new Board members to current policies.
 - C. Eliminating redundant or conflicting policies.
 - D. Having greater ease of reviewing current policy when considering new issues.
 - E. Providing clear, proactive policies to guide the CEO and staff, as well as Board officers, members and committees.
2. **Consistency:** The Board will ensure that each policy in this document is consistent with the law, the Articles of Incorporation and the Bylaws, all of which have precedence over these Board policies. Except for time-limited or procedural-only Board decisions (approving minutes, appointing members to committees, etc.), which are recorded in Board meeting minutes, all standing Board policies shall be included or referred to in this document. The CEO is responsible for developing operational and administrative policies and procedures that are consistent with the standards set forth in this Manual.
3. **Transition:** Unless a prior Board resolution or contract obligates the Association with regard to a specific matter, these updated standards supersede previous Board resolutions. If an actual or apparent conflict arises between this Manual and other policies or Board resolutions, the matter shall be brought to the Board's attention for resolution.
4. **Changes:** The Board will regularly review these policies and, as appropriate, refine them. Proposed revisions may be submitted for Board consideration, by any Board member or by the CEO. Whenever changes are adopted, the updated document should be dated and promptly disseminated to the Board and CEO.
5. **Specificity:** Each new policy will be drafted to fit into the appropriate section of the Manual. For consistency, policies should be drafted starting with the broadest policy statement, then adding specificity down to the level of detail that the Board finds appropriate/necessary for the expectation to be acted upon. The Board will afford discretion for implementation (allowing reasonable interpretation) when delegating further decisions to the Board President/Chair, Board Committees or the CEO.

Policy 1.0 Ends/Priority Results

Adopted July 8, 2015 / Revised 8.27.2017

1.0 Broadest Ends Statement:

GPhA exists for
Advancement of the profession of pharmacy in all practice settings
(with results optimizing return on members' investments)

Priority Results (not reflecting any order of priority)

1.1 Economic

- 1.1.1 Meet or exceed Board of Directors approved budgeted Net Income
- 1.1.1 Meet or exceed GPhA membership of 1591 members
- 1.1.2 Meet or exceed raising \$25K for GPhA Foundation
- 1.1.3 Meet or exceed contributions of \$130K for PharmPAC

1.2 Advocacy

- 1.2.1 Achieve legislative objectives set forth by Legislative Committee and approved by Board of Directors
 - a. Combatting the opioid epidemic be made a legislative priority including taking a leading role in opioid legislation during the 2018 legislative session.
 - b. Lay groundwork and make significant progress during 2018 for DCH to reimburse pharmacist for MTM NLT Dec 2019.
- 1.2.2 Legislation and Regulations that are detrimental to the profession are defeated or favorably amended during 2018
- 1.2.3 Identify no less than 2 pharmacists willing to run for State office and begin efforts to support candidacy for 2020 election cycle

1.3 Education

- 1.3.1 Meet or exceed budgeted revenue of \$49,875 for education activities
- 1.3.2 Full LeadershipGPhA class (15 members) achieving budgeted revenue of \$32,500
- 1.3.3 Introduce 4 CPE classes targeted towards Techs in 2018
- 1.3.4 25% of CPE classes offered for free. To be covered by Sponsorships

1.4 Membership Satisfaction

- 1.4.1 Net promoter score of 8.5 or greater
- 1.4.2 Member satisfaction score of 4.2 or greater
- 1.4.3 At least 90% of members agree or strongly agree they consider themselves aware of GPhA's priorities regarding legislation and regulations that impact the profession

Policy 2.0 Governance Purpose

Adopted April 18, 2015

The purpose of the Board of Directors, on behalf of the membership, is to ensure that the Georgia Pharmacy Association (“GPhA” or “the Association”):

1. Achieves appropriate results for or on behalf of the membership (as specified in Board Ends policies) at an optimal cost, and
2. Avoids unacceptable actions and situations.

Policy 2.1 Governing Philosophy and Values

Adopted April 18, 2015

The Board will govern lawfully, using Policy Governance®¹ principles, with an emphasis on: (a) integrity and truthfulness in all of its activities and practices, (b) outward vision, (c) encouragement of diversity in viewpoints, (d) strategic leadership more than administrative detail, (e) clear distinction of Board and staff roles, (f) collective decisions, and (g) a focus on the future.

Accordingly:

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, is responsible for Board performance. The Board will lead GPhA by proactively setting performance expectations for its own work and for that of the operating organization.
2. The Board will use the expertise of its members to enhance its understanding of issues but will not simply defer to that expertise as the judgment of the entire Board.
3. The Board will set performance standards and expectations for GPhA through careful articulation of written policies. The Board's primary focus will be on the achievement of intended long-term impacts and benefits for and on behalf of the membership, not on the administrative/operational means of attaining those results.
4. The Board will establish and adhere to its own performance expectations pertaining to matters such as attendance, meeting preparation and participation, policy-making, respect of roles, speaking to management, the membership and the public with one voice, and continually building the Board's governance capability and reputation.
 - A. Continual Board development will include periodic discussion of its own performance, and orientation of new Board members in the Board's governance process and these policies.
 - B. Orientation for new Board members will include three primary components:
 - i. Governance process: The Governance Committee will ensure provision of training including the governance principles underlying this document, and review of GPhA's Bylaws and these policies, with particular emphasis on the Board Members' Code of Conduct policy.
 - ii. Current strategic issues: The Board President/Chair and the CEO will provide overview and background information on significant issues likely to be decided upon early in new Board members' tenure.
 - iii. Operational overview: The CEO will help new Board members achieve a general understanding of GPhA's operating organization (financials, key personnel, key products/programs/services, FAQs, etc.).
5. Although the Board may change these governing policies at any time, it will diligently observe those currently in effect.
6. All on-going policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.
7. The Board will be accountable to the membership for competent, conscientious and effective fulfillment of its governance obligations. The Board will not allow any officer, individual or Board Committee to be an obstacle to this commitment.
8. The Board will regularly evaluate and strive to improve its performance. Self-assessment will compare Board activity and discipline to the standards set forth in these Board Process and Board-Management Delegation policies.
9. The Board's activities will be open and accessible to reasonable scrutiny by the membership, with the exception of personnel or other matters of a sensitive nature (disciplinary, legal, contractual, etc.)

¹ Policy Governance® is a registered service mark of Dr. John Carver, representing an integrated set of governance principles that provide for systematic role clarity and organizational accountability. Authoritative website: www.policygovernance.com



10. The Board will not allow the organization, in its hiring and other activities, to discriminate on the basis of race, color, religion, national origin, gender, age, disability, or any other characteristic protected by federal, state or local law.

Policy 2.2 Board Job Products

Adopted April 18, 2015

On behalf of the Membership, the Board's job is to define and ensure appropriate organizational performance. To fulfill this role, the Board takes direct responsibility for three specific job products unique to its trusteeship role and necessary for proper governance and management:

1. **Linkage:** The Board will connect the interests of the Membership with the Association's operational performance.
 - A. **Needs Assessment:** The Board will assess needs and trends affecting the Membership as they relate to GPhA's activities and scope of influence and will develop and maintain Ends policies identifying and prioritizing intended organizational outcomes to address those needs.
 - i. As part of its needs assessment and outreach efforts, the Board will include structured dialogue with key constituent groups, including but not limited to: region presidents; practice academies; faculty and student representatives from Georgia's pharmacy schools; Georgia Board of Pharmacy; representative leaders from other pharmacy-related entities, etc.
 - B. **Advocacy:** The Board will inform the Membership of the Association's achievements on their behalf and of its expected future results.
2. **Performance Standards:** The Board will maintain written performance standards, set forth in these governing policies, addressing the broadest, and as appropriate, more defined levels of organizational decisions and situations.
 - A. **Ends:** Strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients and their relative worth (what results, for which recipients, at what cost/worth/priority).
 - B. **Management Parameters:** Constraints on CEO authority defining the boundaries of prudence and ethics within which all management activity and decisions must take place.
 - C. **Board Process:** Specification of how the Board defines, carries out and assesses its own work.
 - D. **Board-Management Delegation:** How the Board delegates authority to management, and ensures its proper use; the CEO role, authority and accountability.
3. **Assurance of Organizational Performance:** The Board will ensure Ends achievement, financial solvency and organizational integrity by holding itself accountable for effective governance as defined in these policies and holding the CEO accountable for successful achievement of Ends and adherence to Management Parameters.

In addition, the GPhA Board maintains direct responsibility for:

4. Determinations regarding dues of the various categories of membership, and approving dues assessed by academies.
5. Approving the annual legislative package (GPhA's positions on/endorsements of referenda and public policy and legislative priorities as appropriate in serving the interests of the membership).
6. Establishment of Academies, per GPhA's Bylaws, and approval of initial or revised Bylaws as may be proposed by the Board of Directors of any Academy. Such Bylaws will specify that no Academy shall have unilateral authority to enter into partnerships or affiliations that create potential liability for GPhA or commit GPhA resources other than as budgeted on an annual basis. Further, to avoid conflicts with other GPhA relationships, no contractual relationship may be entered into without authorization of the CEO.
7. Recommendations to the Governor of at least one proposed nominee for each vacancy on the Georgia Board of Pharmacy. Board recommendations to be based on list of nominees recommended to the Board.
8. Initiation of any litigation by GPhA.
9. Decisions outside the boundaries of authority delegated to the CEO (as proscribed in *Management Parameters* policies).

Policy 2.3 Board Work Plan and Agenda Preparation

Adopted April 18, 2015

To fulfill its role, the Board will prepare and follow an annual work plan that: (1) re-explores Ends policies and (2) continually improves Board performance through Board education, and interactions with staff, members, and other constituents.

Accordingly:

1. **Annual Cycle:** The Board's elective year begins upon conclusion of the Annual Convention (usually in June or July). For operational planning purposes, the Board will have a preliminary discussion of primary objectives for the following fiscal year by the end of June, so that administrative and budget planning for the next fiscal year can be focused on addressing both long and short-term Ends.
2. **Work Plan Development:** Lead by the new CEO and President Elect The Board will begin development of a Board Work Plan for the next year at the June Board meeting.. No later than the August Board meeting, the President will present for the Board's consideration and approval a suggested work plan for the following year's meetings. Considerations should include:
 - A. **Board Education:** Identification of topics that will elevate the Board's understanding, primarily of external issues and industry trends that impact Ends, and to a lesser extent governance and key areas of operations.
 - B. **Orientation/Training for New Board Members:** per policy 2.1.4, to include review of GPhA's governance system and documents, overview of key strategic issues to be addressed early in new Board members' tenure, and operational overview.
 - C. **Membership/Constituent Linkage:** How the Board will connect with members, including key member representatives (e.g. Academy leadership), and industry constituents (e.g., through surveys, focus groups, strategic conversations in or separate from Board meetings, and other methods of gaining relevant input).
 - D. **Policy Review:** How the Board will systematically review its policies, with emphasis on Ends over the course of the year.
 - E. **Assessment/Evaluation of CEO Performance:** Reviewing the schedule of planned monitoring activities to assure performance on Ends and Management Parameters policies.
 - F. **Self-Assessment:** Methods and timeline for periodic evaluation the Board's fulfillment of its governance role (i.e., in accordance with its Board Process and Board-Management Delegation policies) and open discussion of how Board performance can be improved.
 - G. **Meeting Schedule:** Establishment of the meeting schedule for the coming year to maximize Board member attendance and participation.
 - H. **Social Engagement:** To build its effectiveness as a leadership team, the Board will schedule periodic social activities.
3. **Meeting Agendas:** The President/Chair will determine the agenda for any particular meeting, although Board members and the CEO may request or recommend any appropriate matters for Board consideration.
 - A. A Board member or the CEO may recommend or request a matter for Board discussion by submitting the item to the President/Chair at least fourteen (14) days prior to the regularly scheduled Board meeting.
 - B. To ensure Board member preparation and informed participation, meeting agendas and packets (background materials for decision items on the agenda, monitoring reports, etc.) are to be received by Board members at least seven (7) days prior to the scheduled Board meeting.
 - C. By an affirmative vote of a majority of those present, additional matters may be added to the agenda of any regular Board meeting.

Policy 2.3 Board Work Plan and Agenda Preparation, continued

4. **Consent Agenda:** The Consent Agenda will include only “Required Approvals” items, with one motion addressing those items delegated to the CEO yet required by law or third party to be Board-approved.
 - A. To use Board meeting time as efficiently as possible, the CEO is expected to provide substantiation that all Consent Agenda items comply with relevant Board policies.
 - B. Items may be removed from Consent Agenda for discussion upon majority vote of the Board.
5. **CEO Monitoring:** The Board will act on the CEO’s monitoring reports received prior to the meeting, determining by majority vote whether the report:
 - A. Conveys a reasonable interpretation of the respective policy.
 - B. Provides reasonable substantiation of compliance with the policy, as interpreted.
6. **CEO Annual Compensation Review:** In February of each year the Board will review and summarize its judgments of organizational achievement of Ends and compliance with Management Parameters (see Policy 4.2, Section 3 and 4) for the prior year, and determine any adjustments to the CEO’s compensation, to be backdated effective January 1st of the current year.
7. **Executive Sessions:** Executive session may be convened for the Board to address issues deemed to be of a sensitive nature and will be attended only by Board members and the CEO (unless specifically recused) and others specifically invited by the Board. The Board will refrain from going into Executive session without the general topic of discussion being noted on the meeting agenda. Board members, staff and other persons present shall not discuss or disclose executive session proceedings outside of the executive session without prior authorization of the Board as a whole. Except for matters for which confidentiality is imperative (e.g. personnel, litigation, etc.), actions determined in Executive Session shall be formally taken after reconvening the regular meeting. Minutes of executive sessions shall be recorded for any meeting during which the Board took action and shall be kept separately from the minutes of a general Board meeting.

Policy 2.4 Board President/Chair's Role and Authority

Adopted April 18, 2015

As GPhA's chief governance officer, the President/Board Chair's primary role is to ensure the integrity of the Board's process. In addition, the President/Board Chair presides at meetings of the membership and represents the Board to outside parties.

Accordingly:

1. The President/Board Chair's job is to ensure that the Board acts in a manner consistent with its policies and any requirements legitimately imposed upon it from outside the organization.
 - A. Agenda content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor, or to otherwise inform/educate the Board so it can best fulfill its responsibilities.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The President/Board Chair is authorized to make decisions consistent with the Board Process and Board/Management Delegation policies, with the exception of (a) employment/termination of the CEO, or (b) decisions pertaining to matters about which the Board has specifically delegated portions of its authority to others. The President/Board Chair may use any reasonable interpretation of these policies.
 - A. The President/Board Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
 - B. The President/Board Chair has no authority to make decisions within the Board's Ends and Management Parameters policy areas. As the CEO is accountable to the Board as a whole, the President/Board Chair does not have authority to supervise or direct the CEO.
 - C. The President/Board Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to him or her.
 - i. The President/Board Chair may delegate this authority but remains accountable for its use.
 - D. Except where specified otherwise in Bylaws or Board Policies, the President/Board Chair may appoint Board members, or others, as appropriate, to serve on Board Committees.
3. The President/Board Chair will lead and participate in the Board's assessment of its own performance.
 - A. Criteria for assessment will be the Board's adherence to its Board Process and Board-Management Delegation policies.
 - B. The Board will self-assess its overall performance no less frequently than once per year.
 - C. The Board will ensure that there is, at a minimum, a brief assessment of each meeting prior to adjournment, identifying factors that enhanced its productivity, as well as those that would have made the meeting more successful.
4. The President/Board Chair and the President-Elect or their appointees shall serve as representatives to the annual convention of the American Pharmacists Association.
5. The President/Board Chair and the immediate Past President or their appointees shall serve as representative to the annual convention of the National Community Pharmacists Association.
6. The President/Board Chair (at the first meeting after annual elections), will appoint one member for the following year's PharmPAC Board of Directors.

Policy 2.5 Board Members' Code of Conduct

Adopted April 18, 2015

The Board expects of itself and its members ethical, professional and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

1. **Duty of Care:** Board members are to discharge their duties honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.
2. **Duty of Obedience:** Board members must abide by GPhA's governing documents (i.e. Articles of Incorporation, Bylaws and these Governing Policies). While vigorous debate is expected and encouraged, Board members are obliged to support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.
3. **Duty of Loyalty:** Board members must demonstrate loyalty to the interests of the GPhA membership as a whole, superseding any conflicting loyalties such as that to segments of the membership, Academies, family members, advocacy or interest groups, staff, any of GPhA's affiliated entities, other organizations or any personal interests as a consumer of GPhA's services.
4. Board members must avoid any conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to inside information.
 - B. When the Board is to decide an issue about which a Board member has an actual or potential conflict of interest, that member shall disclose the conflict to the Board and absent herself or himself without comment from not only the vote, but also from the deliberation.
 - i. For purposes of this policy, a conflicting interest exists when a Board member or a related party has a beneficial financial interest in the transaction, or other relationship/affiliation of sufficient significance that it would reasonably be expected to exert an influence on that Board member's judgment if he or she were called upon to vote on the matter. Related parties include the Board member's spouse, parents, children, siblings, siblings of the parent or spouse, and all other persons or entities in which the Board member has an interest, is a partner, agent, employee, or exerts control or influence, either directly or indirectly.
 - ii. In case of a dispute regarding the existence of a real or perceived conflict of interest, the Board shall vote as to whether a conflict is present, and the vote of the Board shall be final. The individual with the potential conflict of interest shall not vote.
 - iii. Board members will, upon election and annually thereafter, complete and submit to the Secretary of the corporation a written statement affirming they have received, reviewed and understand this *Conflict of Interest* policy, and disclosing their involvements and interests that could give rise to a conflict of interest including, but not limited to their involvement or those of family members, as directors or officers of other organizations with vendors or other affiliations with other entities that might reasonably be perceived as a conflict. Board members will promptly update their disclosures during the year if material change in circumstances should occur.
 - iv. Board members must not exert undue influence to obtain staff employment for themselves, family members or other individuals. Should a Board member apply for staff employment, he or she must first resign from the Board.
5. Board Members shall not cause, allow or participate in any practice, activity or circumstance that is unlawful under prevailing antitrust laws, regulations or applicable court decisions.

Policy 2.5 Board Members' Code of Conduct, continued

6. Board members must not attempt to exercise individual authority over the organization.
 - A. Board members' interactions with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly stipulated by the Board.
 - B. Board members' interaction with the media, public or other entities must recognize that Board members are not to speak for the CEO or for the Board, except to repeat explicitly stated Board decisions.
 - C. Board members will not publicly express individual judgments of the performance of the CEO or of other employees, other than when participating in the Board's monitoring functions.
7. Board members will maintain a professional level of courtesy, respect and objectivity in all matters and activities concerning the Association.
8. Board members must respect the confidentiality appropriate to issues of a sensitive nature.
9. A Board member aware of credible information that suggests that a Board policy has been violated, by the Board, a Board member or the CEO, has an affirmative obligation to bring the concern to the Board President/Board Chair. If the President/Board Chair is the subject of the concern, it should be brought to the President-Elect.
10. If a Board member is alleged to have violated this Code of Conduct:
 - A. The President/Board Chair (or President-Elect, if the President/Board Chair is the subject of the concern) will have an informal discussion with the individual whose action(s) are questioned. If this is not successful in resolving the concern, then:
 - B. The President/Board Chair will put the issue on the agenda for Executive session. The respondent Board member will be allowed to present his or her views prior to the Board determining whether or not the action violated this Code of Conduct.
 - C. A Board Member found by the Board (by majority vote) to have violated this Code of Conduct may be subject to subsequent censure or other Board action, as long as consistent with the Bylaws.
11. All Board members are required to sign an acknowledgement of this policy annually.

Policy 2.6 Board Members' Individual Responsibilities

Adopted April 18, 2015 / Revised 8.27.2017

Board member engagement and participation is integral to the Board's leadership success.

Therefore, each Board member is expected to fulfill the following responsibilities:

1. **Commitment:** Board members are expected to, upon appointment to the Board and annually thereafter, sign a Letter of Commitment indicating that they have reviewed and commit to abide by GPhA's Bylaws and these Governing Policies, including but not limited to Code of Conduct provisions pertaining to Conflicts of Interests, as may be amended from time to time.
2. **Attendance:** Board members are expected to attend Board meetings on a regular and punctual basis. Absence from more than one-third (1/3) of the Board's regularly scheduled meetings in any elective Board year (July through June) will constitute that member's resignation from the Board.
 - A. In case of extenuating circumstances, a Board member may request a waiver to this provision. Waivers may be granted only by majority vote of the Board.
3. **Preparation and Participation:** Board members are expected to review agenda materials in advance of Board and committee meetings, and to participate productively in discussions.
4. **Ambassadorship:** Board members are expected to be alert to member and industry concerns that can be addressed through GPhA's mission and Ends, to help communicate and promote GPhA to the members and others in the profession, and to support GPhA's public policy agenda.
 - A. Board members will serve as a conduit between members in their geographic area and their practice settings and GPhA.
 - B. Board members may not authorize the use of, or use for the benefit or advantage of any person, the name, emblem, endorsements, services, or property of the Association or its entities except in conformance with Association policy.
 - C. Board members may not publicly utilize any Association affiliation to promote partisan politics, religious matters, or positions on any issue not in conformity with the position of the Association.
5. **Responsiveness:** Board members will be attentive to Board communications and respond promptly to staff and Board member requests for feedback.
6. **Recognition of Governance Role:** Board members will maintain focus on the Board's role in governing the Association and will respect the role of the CEO in managing the Association and its staff. Board members will therefore not involve themselves at the administrative level, other than performing Board-authorized monitoring functions or at the request of the CEO.
7. **Members as Individuals:** The CEO is accountable to the Board as a whole and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the President/Board Chair, is collegial and not hierarchical.
8. **Voluntarism:** Board members may individually volunteer in operational capacities. In such situations, they are subject to the direct supervision of the CEO or responsible staff person.
9. **Members in Good Standing:** As Board members are recognized representatives of GPhA, they are expected to remain in good standing within the Association and the profession, and are to vacate their position on the Board should they become a party to an occurrence that would reflect negatively on the reputation of the Board or the Association, or impair the ability of the Board to function as provided by GPhA's Bylaws.
10. **Contributions:** Each Board member is expected and required to make an annual financial contribution to:
 - A. PharmPAC. The demonstration of support, rather than the amount of the contribution, is of principal importance. Board members are expected to contribute within their individual means.
 - B. Foundation. The demonstration of support, rather than the amount of the contribution, is of principal importance. Board members are expected to contribute within their individual means.

Policy 2.6 Board Members' Individual Responsibilities, continued

2. Participation in Organizational Activities:

- A. In addition to Board meetings, Board members are expected to participate in a majority of the following:
 - i. Attend GPhA Convention (required)
 - ii. Attend at least one Fall Region Meeting, as assigned
 - iii. Attend at least one Spring Region Meeting, as assigned
 - iv. Attend Pharmacy Day at the Dome
 - v. Personally, invite their State Representative and State Senator to Pharmacy Day at the Dome, and to Region Meetings.

Policy 2.7 Board Committee Principles

Adopted April 18, 2015

Board committees may be established to help the Board be more effective and/or efficient in its work. Board committees are not to interfere with the Board's delegation of authority to the CEO, or the CEO's to other staff.

Accordingly:

1. Board committees are established to help the Board do its job, not to help, advise or exercise authority over staff.
2. Board committees will ordinarily undertake activities not delegated to the CEO such as by preparing policy alternatives and implications for Board consideration or performing specific linkage and monitoring functions.
3. Board committees may only speak or act for the Board when formally given such authority for specific and/or time-limited purposes. The Board will carefully state expectations for and authority of each committee (in the *Board Committee Structure* policy) in order not to conflict with authority delegated to the CEO.
4. As the CEO works for the full Board, he or she will not be required to seek approval of a Board committee before an executive action that is within his/her authority (as defined by *Management Parameters* policies).
5. The purpose and composition of each Board committee is to be evaluated annually to assure efficiency, relevance and continuity.
6. This policy applies to any group formed by Board action, whether or not it is called a "committee" and regardless of whether it includes Board members. This policy does not apply to committees formed under the authority of the CEO.
7. Unless specifically authorized by the Board, a Board Committee may not make any commitment of organizational resources or funds.
8. Minutes of Board Committee meetings are to be promptly shared with the President/Board Chair.

Policy 2.8 Board Committee Structure

Adopted April 18, 2015

Board committees are those established by and with authority emanating from the Board, regardless of whether composition includes non-Board members. The only Board committees are those set forth below. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a resource (non-voting member) for each Board committee.

1. GOVERNANCE Committee

A. **Deliverable #1:** Support the highest functioning of the full Board of Directors, including but not limited to:

- i. Assistance/advice to President in developing well-considered agendas for Board meetings.
- ii. As directed by the Board or requested by the President, preparation and/or review of proposed policy revisions and implications for Board consideration.
- iii. Timely decisions, on behalf of the Board, as needed pertaining to GPhA's positions on pending legislation.

Deliverable #2: Thorough orientation and training of new Board members.

Deliverable #3: Recommendations for Board consideration regarding additional Board training and leadership development opportunities to enhance the Board's governance skills, engagement and capabilities.

Deliverable #4: Recommendations for Board consideration of vetted potential candidates to be proposed to the Governor for service on the State Board of Pharmacy.

B. **Authority:** To incur costs as budgeted and management time as needed.

C. **Composition:** Chaired by the President-Elect, plus the Immediate Past President, and President. (12/2016)

2. NOMINATING Committee

A. **Deliverable #1:** Fulfillment of the nominations/elections process as stipulated in the Bylaws

B. **Authority:** To incur costs as budgeted and management time as needed.

C. **Composition:** Chaired by the Immediate Past President, and shall include seven additional members, with one designee appointed each by: the Academy of Independent Pharmacy (AIP); the Academy of Employee Pharmacists (AEP); Academy of Clinical & Health System Pharmacists (ACHP); the Council of Presidents; one designee representing and selected by the Region Presidents; and one current Board member, appointed by majority vote of the Board of Directors, and who is not currently eligible for or seeking re-election.

3. LEGISLATIVE POLICY Committee

A. **Deliverable:** Options and implications for Board consideration and action regarding public positions and endorsements regarding legislative and regulatory issues.

B. **Authority:** To incur costs as budgeted and management time as needed.

C. **Composition:** President-Elect appoints Vice-Chair, who may subsequently be appointed to Chair, plus between 9-20 as appointed by the Board, upon recommendation of the President.

Policy 2.8 Board Committee Structure, continued

4. AUDIT/INVESTMENT Committee

- A. **Deliverable #1:** Confirmation of auditor's independence and engagement of auditor, on behalf of the Board, by no later than end of February each year.
- Deliverable #2:** Annual specification of audit scope, consistent with Board monitoring schedule (see policy 4.4), including approval of any permitted non-audit services to be provided by the independent auditor. Scope may also include audit services for Georgia Pharmacy Foundation and PharmPAC.
- Deliverable #3:** Assurance that the auditor has unfettered access to organizational management and records.
- Deliverable #4:** Review with the independent auditor any problems encountered performing the audit, the audited financial statements, any management letter provided by the auditor, and any areas identified by the auditor as posing significant risk or exposures to the Association.
- Deliverable #5:** Recommendations for Board consideration regarding revisions to the Board's fiscal policies.
- Deliverable #6:** Review of annual Form 990 prior to distribution to Board of Directors and subsequent submission to IRS.
- Deliverable #7:** "Direct Inspection" (internal audit) monitoring of compliance with the Board's fiscal policies (Financial Condition, Asset Protection, Budget, Compensation and Benefits), as directed/scheduled by the Board per policy 4.4 *Monitoring CEO Performance*.
- Deliverable #8:** Oversight/Review of the Investment Account to ensure conformance with Investment Policy guidelines, with reports to the Board no less than annually, and recommendations as needed.
- B. **Authority:** To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs as budgeted for matters related to the audit.
- C. **Composition:** Not less than four, or more than seven members, including a Committee Chair, but shall have at least one Board member from the Georgia Pharmacy Foundation Board and the Academy of Independent Pharmacy, appointed by the Board each year in January. Members may be reappointed annually for a maximum of three years of service. At least one member of the Committee shall possess financial expertise related to accounting, finance and audit standards.

5. BYLAWS Committee

- A. **Deliverable:** As directed by the Board or requested by the President/Board Chair, preparation and/or review of proposed Bylaws revisions and implications for Board consideration. General review to take place at least once per year. Board to ensure legal review prior to adopting material changes to Bylaws.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** The President/Board Chair shall propose members and a chairperson, for Board approval at the first meeting of the elective year.

6. MEMBERSHIP LINKAGE Committee

- A. **Deliverable:** Development of mechanisms and plans for Board approval and implementation to ensure active linkage between the Board and GPhA's membership and key constituent groups, ensuring the Board is well informed about member perspectives and values, and that the membership is informed of the Board's work on their behalf.
- B. **Authority:** To incur costs as budgeted and management time as needed
- C. **Composition:** Up to seven people including a committee chair, including at least three non-board members.

7. EXECUTIVE COMPENSATION Committee

- A. **Deliverable #1:** Recommendations for Board consideration regarding adjustments to the CEO's compensation and benefits package. To be presented to the Board in a timely manner to allow final action to be taken by the February Board meeting of the following year..
- Deliverable #2:** Accompanying the recommendations, provide data as to comparable compensation for similarly qualified persons in comparable positions.
- Deliverable #3:** Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding CEO compensation.
- Deliverable #4:** Prepare for Board's consideration, and in consultation with the CEO, annual incentive plan goals and metrics for the bonus component of CEO compensation; annually review and report to the Board the CEO's performance results vis-a-vis previously established goals.
- B. **Authority:** To incur costs as budgeted (e.g. for compensation studies/comparable data) and management time as needed.
- C. **Composition:** Three Board members, including a committee chairperson, appointed by the Board each year at its first meeting of the elective year.

8. CEO SEARCH Committee

- A. **Deliverable #1:** In the event of a need to conduct a search for a new CEO, shall plan and manage the search process. In the event of a need to conduct a search for a new CEO, implementation of a national CEO search process, including screening of applicants and presentation of up to three finalist candidates for Board consideration within a timeline as established by the Board of Directors. Committee must honor and protect confidentiality appropriate to applicants.
- B. **Authority:** To incur costs as budgeted (e.g. for executive search consultant) and management time as needed.
- C. **Composition:** The Board of Directors itself shall serve as the CEO Search Committee or, at its discretion, may delegate that responsibility to an appointed committee of GPhA members. (12/2016)

9. COUNCIL OF PRESIDENTS

- A. **Deliverable #1:** Advisory resource to the Association
- Deliverable #2:** Serve as the Awards Selection Committee (for association-wide awards).
- Deliverable #2:** Accompanying the recommendations, provide data as to comparable compensation for similarly qualified persons in comparable positions.
- B. **Authority:** To incur costs as budgeted and management time as needed

10. INSURANCE Committee (amended 10/7/15)

A. **Deliverables:** To assume all responsibilities and to Act on behalf of the Board in all matters relating to any MEWA sponsored by the Georgia Pharmacy Association, Inc., any trust related thereto, or any benefit offered to members of the Georgia Pharmacy Association, Inc. that constitutes an "employee welfare benefit plan" under Section 3(1) of ERISA and in all matters relating to insurance products and services offered by or through the Association.

B. **Authority:** To incur costs as budgeted and management time as funded by the Board.

C. **Composition:** Consisting of five (5) members serving three-year staggered terms, no more than two consecutive terms. Individuals eligible to serve on the Insurance Committee shall be Employer members of the Georgia Pharmacy Association, Inc. who have elected to participate in one or more of the benefit options provided under any MEWA sponsored or maintained by the Georgia Pharmacy Association, Inc.; or in the event a MEWA is no longer maintained by the Georgia Pharmacy Association, Inc., by members who have elected to participate in insurance products and services offered by or through the Association ("Participating Employers"). The initial Committee organizational meeting shall be held by the directors of the Georgia Pharmacy Association's Insurance Trust in office at the time of its dissolution who shall also be empowered to make decisions within the domain of the Committee until such time as the initial organizational meeting is held.

Policy 2.9 Budgeting for Board Prerogatives

Adopted April 18, 2015

The Board will consciously invest in its ability to govern effectively.

Accordingly:

1. The Board will allocate resources to ensure that it has sufficient skills, methods and supports to assure excellence in its leadership.
 - A. Training will be used appropriately to orient new Board members and to increase existing Board members' skills and knowledge.
 - B. Outside monitoring, including fiscal audit, will be arranged as needed to help the Board have confidence that organizational performance meets expectations, as stated in these policies. This includes, but is not limited to, audits, reviews or opinions on fiscal, legal or governance matters.
 - C. Outreach mechanisms will be used as needed to ensure the Board understands members' viewpoints and values.
2. Costs will be prudently incurred, but sufficient to ensure the development and provision of superior governance. Annual governance prerogatives to be considered include costs for:
 - A. Board meeting and retreat costs (including Board travel).
 - B. Board member travel/reimbursements (attendance at conferences, workshops, etc.).
 - C. Board/governance training (consulting, publications, etc.)
 - D. Compensation to members who serve as delegates to the annual conventions of the American Pharmacists Association and the National Community Pharmacists Association and to the Quinquennial Meeting of the USP Convention.
 - E. Fiscal audit and other third-party monitoring of organizational performance.
 - F. Board committee functions (other than Audit, as itemized in E above).
 - G. Opinion surveys, focus groups and other membership linkage activities.
3. The Board will establish its budget for these prerogatives in the next fiscal year each year at the time of budget approval

Policy 2.10 Process for Appointments to Regulatory Boards

Adopted April 18, 2015

1. Policy. It is the policy of the Association to make recommendations to the governor for appointments to the Georgia Board of Pharmacy, as well as other state regulatory agencies' whose purview has influence on the practice of pharmacy. We recognize the political nature of such appointments and take seriously the need to handle the identification of appointee prospects and the resulting recommendations with great political sensitivity. We also recognize the importance of appointing persons who are committed to the rule of law and due process, and who will act only within the scope of their regulatory and legal authority. GPhA will thoroughly evaluate candidates for appointment or reappointment and take such other steps as are appropriate to secure assurances that candidates share these views.

2. Process. When there is an expiring term or vacancy on a pharmacy-related board or commission, it shall be the policy of GPhA to recommend to the Governor at least one name for each vacancy of the Board of Pharmacy and may make recommendations to other regulatory agencies vacancies. Effort will be made to submit the name(s) as timely as possible. The process for making recommendations shall be as follows: At least six months prior to the expiration of terms on regulatory boards for which GPhA wishes to offer input to the Governor, GPhA shall actively solicit from members the names of qualified Georgia pharmacists who may be interested in appointment or reappointment to that regulatory board. The Governance Committee of the Board, as directed in Policy 2.8, shall evaluate potential candidates, including consideration of each candidate's relationship with and previous support of the current Governor. The Governance Committee will also strive to recommend candidates who bring geographic, gender, ethnic, and practice area diversity to the regulatory board. A candidate must be in good standing with the Board of Pharmacy, and no candidate shall be recommended who has personally and directly been subject to a disciplinary action by the Board of Pharmacy in the immediately preceding ten years. Based on its evaluation, the Governance Committee shall determine a final list of nominees to recommend to the Board of Directors for approval. The list, when submitted to the Governor, shall include thorough supporting documentation on the qualifications of the nominee(s). Further, under the oversight of the CEO, GPhA staff will advocate with the Governor's office for appointment of GPhA's recommended candidates.

Policy 2.11 Investment Policy

Date of Adoption / Last revision:

The intent of the policy that follows is to provide guidance to the investment fund manager(s). The policy allows for direct override when agreed to by the governing bodies of each respective GPhA-related entity and communicated to the fund manager(s).

ENTITY IDENTIFICATION For purposes of accurate identification and maintenance of separate investment policy criteria, GPhA and its related entities are identified below:

1. Georgia Pharmacy Association, Inc. (GPhA) is a membership service organization catering to licensed pharmacists in the state of Georgia. It is a 501c6 tax-exempt, but not charitable, entity under Internal Revenue Service guidelines.
 - a. The Academy of Independent Pharmacists (Assn-AIP) is a departmental group of GPhA that produces its own revenue and expense stream and the assets and liabilities associated with that stream are separately identified including investments.
2. Georgia Pharmacy Foundation, Inc. (GPhF) is a 501c3 charitable organization as defined by the IRS.
3. Georgia Pharmacy Association Political Action Committee (PharmPAC) is organized under a special section of the IRS code to operate as a political action committee designed to raise funds to be used for the purpose of lobbying and making campaign contributions.

Each entity or entity subdivision is assumed to follow the primary objective unless noted by exception within each of the criteria sections that follow.

I. PURPOSE The purposes of the following investment guidelines, which are to be reviewed annually by the board of directors of GPhA and its related entities, are to: Establish the investment objectives, policies, guidelines and eligible securities relating to any investments owned or controlled by GPhA, and any of its related organizations.

- Identify the criteria against which the investment performance of the association's investments will be measured.
- Communicate the objectives to the Board, staff, investment managers, brokers, donors and funding sources that may have involvement.
- Serve as a review document to guide the ongoing oversight of the management of the associations' investments.

II. GUIDELINES FOR INVESTING: The investment goal of the total fund is to achieve a total return (income and appreciation) of 6%, over a full market cycle (7 to 10 years).

Entity exceptions:

- PharmPAC raises funds and spends funds in short term cycles related to election cycles.

The following guidelines apply to the three main investment asset classes:

Money Market Funds: Allowable range: Minimum 0%; Maximum 5% of total assets

A quality money market fund will be utilized for the liquidity needs of the portfolio whose objective is to seek as high a current income as is consistent with liquidity and stability of principal. The fund will invest in "money market" instruments with remaining maturities of one year or less, that have been rated by at least one nationally recognized rating agency in the highest category for short-term debt securities. If non-rated, the securities must be of comparable quality.

Entity Exceptions:

- Periodic accumulations of cash in a money market fund in excess of 8% are allowed in order to dollar cost average a large influx of cash for no longer than a twelve-month period.

Equities: Allowable Range- Minimum 30%; Maximum 70% of total assets

The equity component of the portfolio will consist of high-quality, large, mid, and small capitalization securities of both domestic and international equities. The securities must be screened for their above-average financial characteristics, such as price-to-earnings, return-on-equity, debt-to-capital ratios, etc.

No more than 20% of the equity portion of the account will be invested in any one issuer. As well, not more than 25% of the equity portion of the account will be invested in stocks contained within the same industry.

It is acceptable to invest in an equity mutual fund(s) adhering to the investment characteristics identified above, as long as it is a no-load fund, without 12(b)(1) charges, which maintains an expense ratio consistent with those other funds of similar investment styles as measured by the Lipper and/or Morningstar rating services.

Prohibited equity investments include: initial public offerings, restricted securities, private placements, derivatives, options, futures and margined transactions.

Entity exceptions:

- Assn-AIP has current holdings in non-publicly traded companies.

Fixed Income: Allowable Range- Minimum 30%; Maximum 70% of total assets

Bond investments will consist solely of taxable, fixed income securities that have an investment-grade rating (Baa or higher) that possess a liquid secondary market.

No more than 20% of the fixed income portfolio will be invested in corporate bonds of the same issuer. As well, not more than 25% of the fixed income portfolio will be invested in bonds of issuers in the same industry.

Prohibited securities include: private placements, derivatives (other than floating-rate coupon bonds), and margined transactions.

Entity exceptions:

- None

III. PERFORMANCE MEASUREMENTS STANDARDS:

The benchmarks to be used in evaluating the performance of the two main asset classes will be:

Equities: *S&P 500 Index*- Goal: exceed the average annual return of the index over a full market cycle (7-10 years)

Fixed Income: *Barclay's Aggregate* - Goal: exceed the average annual return of the index over a full market cycle (7-10 years).

Entity exceptions:

- None

It will be the responsibility of the Investment Committee to regularly review the performance of the investment accounts and investment policy guidelines, and report to the Board of Directors at least annually with updates and recommendations as needed.

IV. SPENDING POLICY AND PROJECT RESERVE FUNDS:

Each year, each entity is authorized to set aside a portion of combined earnings or value appreciation over the previous year end to be used at the discretion of each entity or subdivision’s respective governing body for operating budget support and/or special projects. The overall goal for investment oversight management is to grow the value of the fund as a hedge against inflation devaluing the respective funds basis.

Each year, the respective governing authorities are authorized to withdraw **up to a designated percentage** of the total market value of the investment account (market value to be determined as of the last business day of the preceding year) for the organization’s operating purposes so long as the total fund value does not decrease below stated minimum values.

Entity/Subdivision	Withdrawal % maximum	Minimum Fund Value
GPhA	4%	\$3,500,000
Assn-AIP	As determined by AIP Board	\$-0-
GPhF	Determined by budget need	NA
PharmPAC	100%	\$-0-

The dollar amount and timing of any distribution(s) from the investment account will be left up to the discretion of each entity or subdivision’s governing body or its designee.

V. ACCOUNT MANAGEMENT AUTHORITY

Each respective GPhA-related entity retains the ultimate decision-making authority over each of the aforementioned parameters including the right to make the selection of investment manager(s), purchase and sale decisions and cash transfer decisions. For purposes of simplifying the number of accounts and account managers with the selected investment managers, the GPhA CEO, at the direction of the Audit/Investment Committee, is deemed to be the default account manager for all GPhA-related entities, except as otherwise noted in Entity Exceptions below.

Entity exceptions:

- None

(This policy was first approved by the GPhA Board of Directors on July 7, 2012. It was last amended on February 16, 2016.)

Policy 3.0 General Management Constraint

Adopted April 18, 2015

The CEO will not cause or allow any practice, activity, decision or organizational circumstance that is illegal, imprudent, or in violation of commonly accepted business and professional association management ethics and practices.

Policy 3.1 Treatment of Members / Constituents

Adopted April 18, 2015

With respect to interactions with members/constituents, the CEO will not cause or allow conditions or procedures which are unfair, unsafe, untimely, unresponsive, undignified or which fail to provide appropriate confidentiality.

Further, the CEO will not:

1. Collect, review, transmit, store or destroy member data without protecting against improper access to that information.
2. Operate without providing appropriate staff/administrative support for Academies as established by the Board.
3. Provide Academy-specific benefits and services to those not current in dues, as applicable, to both GPhA and the respective Academy.
4. Operate without clearly conveying to members what may be expected from the services offered.
5. Operate without having in place a complaint/response process to address concerns raised by members.

Policy 3.2 Treatment of Staff

Adopted April 18, 2015

With respect to the treatment of volunteers and employees, the CEO will not cause or allow conditions that are unfair, unsafe or undignified.

Pertaining to employees, the CEO will not:

1. Operate without ensuring employees are provided with written personnel policies, reviewed by qualified legal counsel, which clarify personnel rules for employees and provide for effective handling of complaints/grievances.
 - A. Allow employees to be unaware of the Board's governing policies including, but not limited to, this Treatment of Staff policy, along with the CEO's interpretations of staff's protections under this policy.
2. Allow staff to be unprepared to deal with reasonably foreseeable emergency situations.
3. Retaliate or allow retaliation against an employee for non-disruptive, internal expression of dissent, or for reporting to management or to the Board of Directors (per the process for handling of grievances in the personnel policies) acts or omissions by GPhA personnel, management or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Board.
 - A. Employees may not be prevented from grieving to the Board when (a) internal grievance procedures outlined in the Personnel Manual have been exhausted and (b) the employee alleges that Board policy has been violated.

Policy 3.3 Financial Condition and Activities

Adopted April 18, 2015

With respect to financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Ends priorities.

Further, the CEO will not:

1. Expend more funds than are projected (in the budget process) to be received in the fiscal year.
 - A. The CEO will not borrow from non-designated operating reserves (non-designated accumulated excess revenues) in an amount greater than can be replenished by certain and otherwise unencumbered revenues within 150 days.
2. Borrow funds (with exception of credit cards used for normal business purposes paid in full each month).
3. Use Board-designated Investment Reserve funds.
4. Operate without paying expenses incurred by and collecting sums due to the Association in a timely manner.
5. Allow tax or other government ordered payments or filings (e.g. IRS Form 990, Form 990-T, Georgia Form 600-T, filings required for PharmPAC, etc.) for GPhA and its affiliated entities, to be overdue or inaccurately filed.
6. Execute a purchase commitment check or electronic funds transfer for capital expenditures greater than \$25,000.00, unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
7. Acquire, encumber, lease or dispose of real property.
8. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.
 - A. Operate without clearly delineated procedures and limitations for reimbursement of authorized expenses incurred by board and committee members, and others who are entitled to reimbursement from the Association.
 - B. CEO expense reimbursements and CEO credit card expenses must be reviewed and approved by the President within sixty days of payment.

Policy 3.4 Asset Protection

Adopted April 18, 2015

The CEO will not cause or allow GPhA's assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, the CEO will not:

1. Allow GPhA to be without sufficient insurance coverage, including:
 - A. Property and casualty losses to at least replacement value.
 - B. Liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable associations.
 - C. Employee theft and dishonesty.
2. Subject GPhA's facilities and equipment to improper wear and tear or insufficient maintenance.
3. Operate without employing risk management practices to minimize exposure of the Association, the Board, staff or their agents to claims of liability.
4. Allow procurements without reasonable protection against conflicts of interest.
5. Operate without maintaining and ensuring adherence to written policies guiding ethical practices pertaining to gifts, favors and entertainment given to others at Association expense, or received by GPhA staff.
6. Allow a purchase of any material amount \$2,500.00 or more without having compared prices and quality.
7. Allow GPhA's intellectual property, information, resources and files to be exposed to loss, improper access, misuse or significant damage.
8. Operate without adhering to a Records Retention Schedule, approved by qualified legal counsel, for the maintenance of documents and records.
9. Operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's standards (as set forth in the auditor's Management Letter and/or other correspondence).
10. Compromise the independence and transparency of the Board's relationships with auditors or other providers of governance support (attorneys, consultants, etc). Such entities may not be engaged by the CEO unless explicitly Board authorized.
11. Invest or hold operating capital in insecure instruments or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
12. Invest reserve funds in a manner inconsistent with the Investment Policy.
13. Endanger GPhA's public image or credibility.
14. Allow the names and/or logos of GPhA and its related organizations to be used by any third party in a manner that could be construed as being for personal gain, to serve as an endorsement, to advance or enhance unrelated business organizations, or for any similar purpose without expressed written approval of GPhA.
15. Assume board or other leadership positions with other healthcare related entities and/or political parties without prior consent of the Board.
16. Change the organization's name or substantially alter its identity.

Policy 3.5 Financial Planning and Budgeting

Adopted April 18, 2015

Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's Ends priorities, risk financial jeopardy or fail to address multi-year planning needs and considerations.

Accordingly, the CEO will not allow budgeting that:

1. Risks incurring those liquidity situations or conditions described as unacceptable in the Financial Condition and Activities policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow projections, and disclosure of planning assumptions.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received (net of investment income).
4. Omits allocation for Board activities per the Budgeting for Board Functions policy (see policy in *Board Process*).

Policy 3.6 Compensation and Benefits

Adopted April 18, 2015

With respect to employment, compensation and benefits for employees, consultants, contractors or volunteers, the CEO will not cause or allow jeopardy to GPhA's fiscal integrity or public image.

The CEO will not:

1. Establish salaries and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
 - A. Total compensation, including benefits, should be targeted at or near the mean of the market, but with flexibility so that compensation is based on experience, performance, and business need to attract and retain specific talent.
2. Change his or her own compensation.
3. Change his or her own benefits, except as consistent with the package for all other employees.
4. Promise or imply anything other than "at-will" employment.
5. Create obligations to consultants or contract vendors for longer than one year.
6. Establish or change retirement benefits so as to cause situations unpredictable for the organization or inequitable for employees.

Policy 3.7 Emergency Management Succession

Adopted April 18, 2015

The CEO will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.

Further, the CEO will not:

1. Operate without ensuring that at least one member of the senior staff is sufficiently familiar with Board and CEO issues and processes to take over with reasonable proficiency as an interim successor.

Policy 3.8 Board Awareness and Support

Adopted April 18, 2015

The CEO will not cause or allow the Board to be uninformed or unsupported in its work.

The CEO will not:

1. Withhold, impede or confound information necessary for the Board's informed accomplishment of its job.
The CEO will not:
 - A. Neglect to submit monitoring reports (including the CEO's policy interpretations, as well as compliance data) required by the Board (see Monitoring CEO Performance policy in Board-Management Delegation) in a timely, accurate and understandable fashion.
 - B. Let the Board be unaware of any actual or anticipated noncompliance with any Ends or Management Parameters policy, regardless of the monitoring schedule set forth by the Board.
 - C. Let the Board be without objective background/decision information it periodically requests, or unaware of relevant trends or incidental information (e.g., anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal/organizational changes). Notification of planned internal changes is to be provided in advance, when feasible.
 - D. Let the Board be unaware of any Board or Board member actions that, in the CEO's opinion, are not consistent with the Board's own policies on Board Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the work relationship between the Board and the CEO.
 - E. Present information in unnecessarily complex or lengthy form or without differentiating among three types of written communications: 1) monitoring, 2) decision preparation or "action item"; and 3) incidental/FYI.
2. As the Board's and Association's Secretary allow the Board to be without logistical and administrative support for official Board, officer or committee communications and functions.
3. Deal with the Board in a way that favors or privileges certain Board members over others except when:
 - A. Fulfilling individual requests for information, or
 - B. Responding to officers or committees duly charged by the Board.
4. Neglect to submit for the Board's Consent Agenda those items delegated to the CEO yet required by law, regulation or third party to be Board-approved, along with applicable monitoring information.

Policy 4.0 Board/Management Connection

Adopted April 18, 2015

The Board's official connection to the operating organization, its achievements and conduct is through the Chief Executive Officer (CEO).

Policy 4.1 Unity of Control

Adopted April 18, 2015

The Board of Directors acts with one voice in establishing expectations of the CEO.

Accordingly:

1. No Board member, officer or committee has authority over the CEO, or any member of the CEO's staff, except in rare instances when the person or committee has been explicitly authorized to direct or use staff resources for a specific issue.
2. Board members or committees may request information, but if such request--in the CEO's judgment--requires a material amount of staff time or funds or is disruptive, it may be declined. The committee or Board member may then refer the request to the full Board for consideration.

Policy 4.2 Accountability of the CEO

Adopted April 18, 2015

All Board authority delegated to management is delegated through the CEO, Therefore, the authority and accountability of staff, as far as the Board is concerned, is considered to be the authority and accountability of the CEO.

Accordingly:

1. The Board will not give instructions to any staff other than the CEO.
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will consider and evaluate CEO performance as synonymous with organizational achievement of Ends and compliance with Management Parameters. No performance measure established by the Board or by sub-sets of the Board shall conflict with or modify this measure of performance
4. Consequently, the CEO's accountability and evaluation will be based on performance in two areas:
 - A. Organizational achievement of the Board's Ends policies.
 - B. Organizational operations within the parameters of legality, prudence and ethics established in the Board's Management Parameters policies.

Policy 4.3 Delegation to the CEO

Adopted April 18, 2015

The Board will direct the CEO through written policies setting forth the organizational Ends to be achieved and organizational situations/actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. Ends policies direct the CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be systematically developed from the broadest, most general level, to more defined levels.
2. Management Parameters policies define the boundaries of legality, prudence and ethics within which the CEO is to operate. These policies describe the practices, activities, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. Management Parameters will also be systematically developed from the broadest, most general level to more defined levels. To ensure accountability for performance, the Board will not prescribe organizational means delegated to the CEO.
3. An Ends or Management Parameters policy at a given level does not limit the scope of any preceding level.
4. The CEO is authorized to establish further policies, make decisions, take actions, establish practices and develop activities as long as they are consistent with any reasonable interpretation of these Ends and Management Parameters policies.
5. The Board may change its Ends and Management Parameters policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice and authority given to the CEO. However, as long as any particular delegation is in place, the Board will respect, and support decisions made by the CEO that are consistent with Board policy, as reasonably interpreted.

Policy 4.4 Monitoring CEO Performance

Adopted April 18, 2015

The Board will systematically and rigorously monitor CEO job performance, determining the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Parameters policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not address accomplishment of Ends and compliance with Management Parameters will not be considered in the Board's evaluation of CEO performance.
2. Ends and Management Parameters policies may be monitored by one or more of three methods:
 - A. Internal Reports: The CEO discloses in writing his/her policy interpretations, along with data supporting his/her assessment of accomplishment of, or compliance with, the policy under review. As appropriate in a given context, the CEO may present information supporting the "reasonableness" of his/her interpretation.
 - B. External Reports: An external, disinterested third party selected by and reporting to the Board assesses accomplishment of, or compliance with, Board policies, as reasonably interpreted by the CEO.
 - C. Direct Board Inspections: A designated Board member(s) or committee assesses CEO compliance with a given policy, as reasonably interpreted by the CEO.
3. In every case, the Board is committed to accepting any reasonable /CEO interpretation of the Board policy being monitored. The Board is the judge of reasonableness and will always use the "reasonable person" test (whether what the CEO did was what a reasonably prudent executive would do in that context), even if those choices differ from those the Board or any of its members may have made.
4. In every case, the Board will judge whether:
 - A. The CEO's interpretation is reasonable, and
 - B. Data demonstrate reasonable accomplishment of, or compliance with, the CEO's interpretation.
5. Interpretations determined by the Board not to be reasonable, or data determined not to demonstrate reasonable accomplishment of, or compliance with, a Board policy as interpreted, will be subject to a remedial process agreed to by the Board.
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule:

Policy 4.4 Monitoring CEO Performance, continued

TBD

CEO MONITORING SCHEDULE			
POLICY	METHOD	FREQUENCY	SCHEDULE (BY END OF MONTH)
Ends/Priority Results			
1.0 _____	Internal	Annually	TBD
1.1 _____	Internal	Annually	TBD
1.2 _____	Internal	Annually	TBD
1.3 _____	Internal	Annually	TBD
1.4 _____	Internal	Annually	TBD
1.5 _____	Internal	Annually	TBD
Management Parameters			
3.0 General Management Constraint	Internal	Annually	TBD
3.1 Treatment of Members	Internal	Annually	TBD
3.2 Treatment of Staff	Internal	Annually	TBD
3.3 Financial Condition and Activities	Internal	???	TBD
	Direct inspection <i>(by Audit Cmte.)</i>	_____	TBD
	External/Audit	Annually	Mid-year Board meeting
3.4 Asset Protection	Internal	Annually	TBD
3.5 Financial Planning and Budgeting	Internal	Annual Forecast	August
		Mid-Year Updated Forecast	April (?)
3.6 Compensation and Benefits	Internal	Annually	TBD
3.7 Emergency Management Succession	Internal	Annually	TBD
3.8 Board Awareness and Support	Internal	Annually	TBD

Policy 4.5 Board Access to Director of Finance in Internal Auditor Capacity

Adopted April 18, 2015

Direct but limited access to the Board by the Vice President of Finance and Administration (VPFA) in an Internal Auditor capacity, is an exception to the exclusive role of the CEO in connecting governance and management.

Accordingly:

1. If after having brought to the CEO's attention any financial or operational impropriety discovered in the course of his or her own work, the VPFA feels that the CEO has failed to address the impropriety, the DoF must report that impropriety to the President/Board Chair and inform the CEO of this action.
2. Impropriety in this context means a material weakness in financial/operational management or a violation of board policies regarding financial/operational affairs of the Association.
3. Nothing in this policy impedes the CEO from exercising his or her board-granted prerogative to interpret applicable board policies under the "reasonable interpretation" rule, nor does it remove from the Board the right to judge reasonableness. However, *impropriety* as used in provision #1 above can indicate that in the opinion of the Internal Auditor, an interpretation made by the CEO is not "reasonable."
4. The VPFA is in all other ways as subject to the CEO's managerial authority as are all other employees and has no direct access to the Board except as described in this policy. The CEO may not impede the DFA's official access as an "internal auditor" as described in this policy or seek to inappropriately influence the content of the VPFA's reporting to the Board as set forth in this policy.
5. Nothing in this provision shall be deemed to limit or prohibit the Board from hiring external or internal auditors who report to the Board or any audit or other committees established by the Board for such purposes.