

Governing Policies

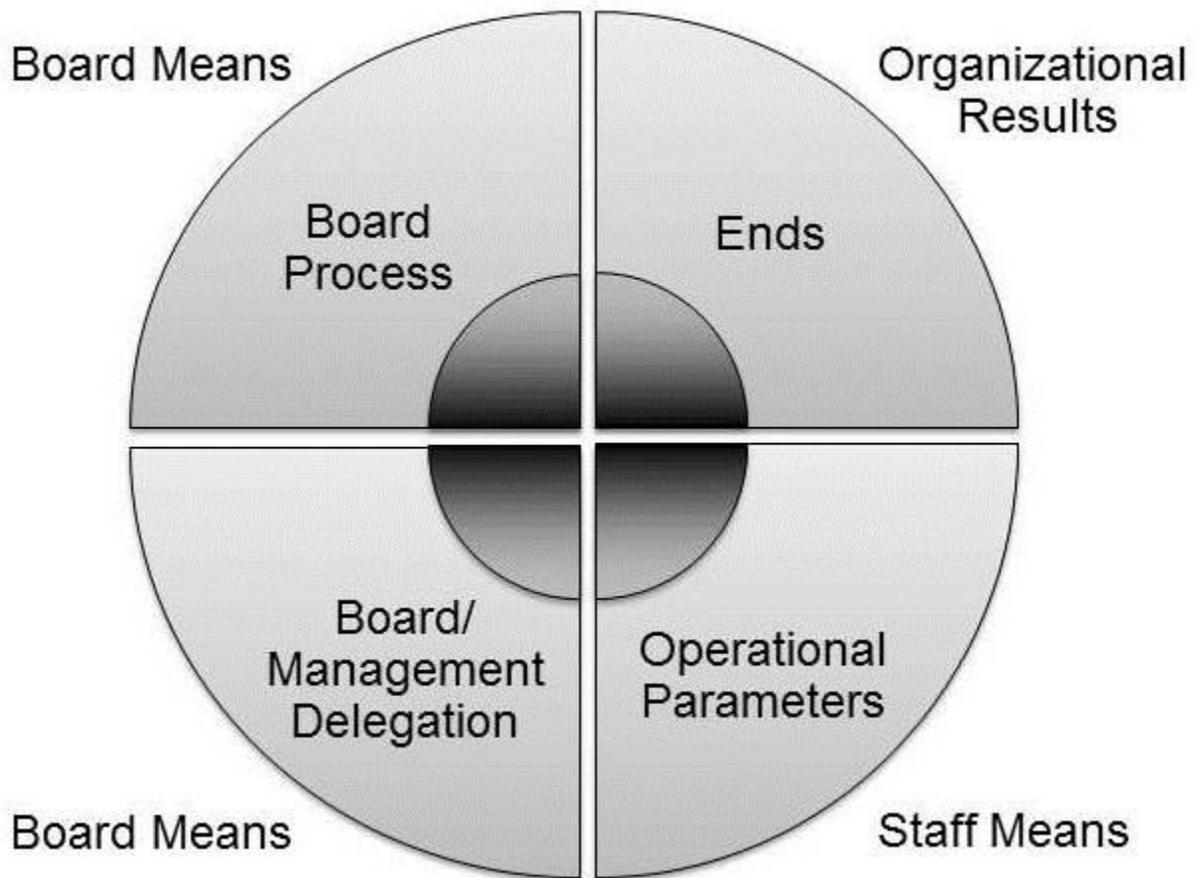


Table of Contents

Introduction

Category I: Ends / Priority Results

Policy

- 1.0 Broadest Ends/Priority Results Statement
- 1.1 Member Knowledge and Skills
- 1.2 Business Resources and Tools
- 1.3 Awareness of SIMA and Professional Practices
- 1.4 Environmental Stewardship Techniques and Materials
- 1.5 Recognized Standards of Quality and Excellence

Category II: Board Process

Policy

- 2.0 Governance Purpose/Commitment
- 2.1 Governing Style and Values
- 2.2 Board Job Products
- 2.3 Board Work Plan and Agenda Preparation
- 2.4 Board President's Role and Authority
- 2.5 Board Members' Code of Conduct
- 2.6 Board Committee Principles
- 2.7 Board Committee Structure
- 2.8 Investment Policy
- 2.9 Budgeting for Board Functions

Category III: Operational Parameters

Policy

- 3.0 General Management Parameter
- 3.1 Treatment of Members/Constituents
- 3.2 Treatment of Staff
- 3.3 Financial Condition and Activities
- 3.4 Asset Protection
- 3.5 Financial Planning / Budgeting
- 3.6 Compensation and Benefits
- 3.7 Emergency Chief Executive Officer Succession
- 3.8 Board Awareness and Support

Category IV: Board/Management Delegation

Policy

- 4.0 Board/Management Connection
- 4.1 Unity of Control
- 4.2 Authority and Accountability of the Chief Executive Officer
- 4.3 Delegation to the Chief Executive Officer
- 4.4 Monitoring Chief Executive Officer Performance

Introduction

This Governing Policies Manual contains the current standing (ongoing) performance standards, values and expectations of the Board of Directors of the Snow & Ice Management Association (SIMA).

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 Chief Executive Officer and staff, as well as Board officers, members and committees.
2. **Consistency:** Each policy in this document is expected to be 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, electing an officer, etc.), which are recorded in Board meeting minutes, all standing Board policies shall be included or referred to in this document. The Chief Executive Officer 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 organization with regard to a specific matter, these updated standards supersede previous Board resolutions with the exception of those obligating the organization in regard to a specific matter. 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:** These policies are intended to be reviewed and refined, as appropriate. Proposed revisions may be submitted for Board consideration, by any Board member or by the Chief Executive Officer. Whenever changes are adopted, the updated document should be dated and promptly disseminated to the Board and Chief Executive Officer.
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 Board action. The Board will afford discretion for implementation (allowing reasonable interpretation) when delegating further decisions to the Board Chair, Board Committees or the Chief Executive Officer.



Policy 1.0 SIMA Ends/Priority Results for Members

Date of adoption / Last revision: _____

1.0 Broadest Ends/Mission Statement:

SIMA provides resources, leadership and support for the snow and ice management industry, so that:

Members Have Skills and Resources for Business Success

(with Results Optimizing ROI for Members' Dues and Fees Investments)

Priority Results—not reflecting any order of priority:

1. SIMA Members Have Knowledge and Skills Necessary for Business Success

- 1.1 Members understand and are aware of SIMA's Code of Ethics.
- 1.2 Members are knowledgeable about industry issues, trends, threats and opportunities.
 - 1.2.a The snow and ice management industry in particular.
- 1.3 Members are knowledgeable about well-established business practices.
- 1.4 Members are knowledgeable about innovative business ideas and practices.
- 1.5 Members access trade-related education via both traditional and high-tech content delivery methods.

2. SIMA Members Have Business Resources and Tools Necessary for Business Success

- 2.1 Members recognize SIMA as their "go-to" resource for educational, marketing and technical information and tools.
- 2.2 Members benefit from networking/informal exchanges of ideas when engaging in SIMA activities.
 - 2.2.a Members will have opportunities for input, involvement and leadership development in SIMA.
- 2.3 Members benefit from business referrals resulting from their involvement with SIMA.
- 2.4 Members benefit from exclusive and valuable benefits and discounts.
 - 2.4.a Members receive exclusive discounts on all SIMA products, programs and services.
 - 2.4.b Members benefit from exclusive cost-saving affinity discount programs, particularly with an insurance partner or service.

3. Key audiences will have increased awareness of SIMA and the importance of professional snow and ice management practices.

- 3.1 SIMA will be recognized as the best resource to find the industry's most skilled and knowledgeable snow and ice management professionals
 - 3.1.a Consumer markets will be identified, and those consumers of snow and ice services will have greater knowledge and awareness of the industry through SIMA and their contractor.
- 3.2 Members have understanding of public policy issues that affect the industry, and resources to engage in local advocacy.

4. There is growth in the understanding and utilization of environmental stewardship techniques and materials in snow and ice management.

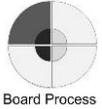
- 4.1 SIMA will incorporate environmental stewardship training into its operator and manager certificate programs.

5. There are SIMA led, recognized standards of quality and excellence in the snow and ice management industry.

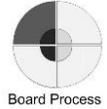
- 5.1 Members value CSP as the industry's recognized standard of competence and professionalism.
- 5.2 A company accreditation is available for snow and ice management firms.
- 5.3 A certificate program for operator and manager training (available by 2014).

Policy 2.0 Governance Purpose/Commitment

Date of adoption / Last revision: _____



The purpose of the SIMA Board, on behalf of the association's members, is to assure that SIMA (1) achieves the best possible results for the membership at an optimal cost, and (2) avoids unacceptable actions and situations.



Policy 2.1 Governing Style and Values

Date of adoption / Last revision: _____

The SIMA Board will govern lawfully, observing Policy Governance principles, with an emphasis on (a) integrity and truthfulness in all of its activities and practices, (b) outward vision, (c) encouragement of diversity of perspectives, (d) strategic leadership more than administrative detail, (e) clear distinction of Board and staff roles, (f) collective decisions and (g) a pro-active vision and orientation to the future.

Accordingly:

1. The SIMA Board will cultivate a sense of group responsibility and will hold itself, not the staff, responsible for Board performance.
2. The SIMA Board will use the expertise and input of individuals (on and off the Board) 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 proactively set performance standards and expectations for the organization through the careful articulation of written policies. The Board's primary focus will be on the achievement of intended long-term impacts for and on behalf of SIMA's 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, policy-making, respect of roles, speaking to management and the public with one voice and continually building the strength and reputation of the Board as an effective leadership team.
 - A. Continual Board development will include periodic discussion of its own performance and orientation of new Board members (before being seated as voting 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:** Board leaders will ensure provision of training including the governance principles underlying this document, and review of SIMA's Bylaws and these policies, with particular emphasis on the *Board Members' Code of Conduct* policy 2.5.
 - ii. **Current strategic issues:** Board leaders and the Chief Executive Officer will provide overview and background information on significant issues being addressed and decided upon early in new Board member's tenure.
 - iii. **Operational overview:** The Chief Executive Officer will help new Board members achieve a general understanding of SIMA's operating organization (financials, key personnel, key products/programs/services, FAQs, etc.).
5. While 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 SIMA's membership for competent, conscientious and effective fulfillment of its governance obligations. The Board will not allow any officer, committee or individual Board member to hinder or usurp this commitment.
8. The Board will not allow any officer, individual or Board Committee to usurp or hinder this commitment.
9. 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.

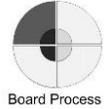
Policy 2.1 Governing Style and Values, continued

Date of adoption / Last revision: _____



10. 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.

11. The Board will not allow the organization, in its hiring, certification and other activities, to either discriminate or give preference on the basis of race, creed, national origin, religion, age, disability, political affiliation, sex, sexual orientation, or marital, parental or military status.

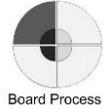


Policy 2.2 Board Job Products

Date of adoption / Last revision: _____

On behalf of SIMA's membership, the Board's job is to define and ensure appropriate organizational performance. To fulfill this accountability, the Board takes direct responsibility for the following:

1. **Linkage with Membership:** The Board will actively be informed of the Memberships needs and interests, and will connect these with operational performance.
2. **Written Performance Standards for the Association:** The Board will ensure that written performance standards, as set forth in these governing policies, appropriately address the broadest levels of all organizational decisions and situations.
 - A. **Ends:** Results priorities pertaining to organizational impacts, benefits, outcomes, recipients and their relative worth (what good, for which recipients, at what worth/cost/priority).
 - B. **Operational Parameters:** Boundaries of prudence and ethics within which all executive 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 authority is delegated to management, and its proper use monitored; the Chief Executive Officer's role, authority and accountability.
 - E. **Assurance of Operational Performance:** The SIMA Board will ensure Ends achievement, financial solvency and organizational integrity by holding the Chief Executive Officer accountable for achieving Ends and adherence to Operational Parameters.



Policy 2.3 Board Work Plan and Agenda Preparation

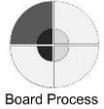
Date of adoption / Last revision: _____

To fulfill its role, the SIMA Board will prepare and follow an annual work plan that completes a detailed re-evaluation of SIMA's Ends priorities, and continually improves Board performance through Board education, linkage with the membership, etc.

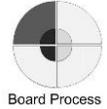
1. **Annual Cycle:** The Board's annual planning cycle will conclude each year in June, so that administrative planning and budgeting for the next fiscal year can be focused on addressing both long and short-term Ends (results priorities).
2. **Work Plan Development:** For the June meeting, the President will prepare and present for the Board's consideration and approval a suggested work plan for the following year's meetings. Considerations should include:
 - A. **Membership Linkage:** How the Board will undertake outreach to and will review substantive input from the association's members (surveys, focus groups, presentations to the Board, etc.).
 - B. **Board Education:** The Board will undertake a variety of internal and external scanning activities designed to improve direction-setting, policy-making and governance in general.
 - C. **Assessment/Evaluation of Chief Executive Officer Performance:** The Board will review the schedule of planned monitoring of Ends achievement and adherence to Operational Parameters.
 - D. **Board Self-Assessment:** The Board will establish methods and a timelines for periodic and objective evaluation of how the Board is fulfilling its role (i.e. in accordance with its *Board Process* and *Board/Management Delegation* policies) and open discussion of how the Board's performance can be improved.
 - E. **Ends Review:** The Board will systematically review all of its Ends over the course of the year (e.g. by priority, by topic, or by an emphasis of the Board's choosing).
 - F. **Meeting Schedule:** The Board will establish its schedule for the coming year to maximize Board member attendance and participation.
3. **Meeting Agendas:** The Chair will determine the agenda for any particular meeting, although Board members and the Chief Executive Officer may request or recommend any appropriate matters for Board consideration.
 - A. A Board member or the Chief Executive Officer may recommend or request a matter for Board discussion by submitting the item to the President at least 14 days prior to the regularly scheduled Board meeting the item to the Chair at least eight (8) business days prior to the regularly scheduled Board meeting.
 - B. The meeting agenda and packet (background materials for decision items on the agenda, monitoring reports, etc.) are to be received by Board members at least five (5) 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

Date of adoption / Last revision: _____



4. **Chief Executive Officer Monitoring:** The Board will act on monitoring reports received prior to the meeting, determining by majority vote whether the report (a) conveys a reasonable interpretation of the respective policy, and (b) provides reasonable substantiation of compliance with the policy, as interpreted.
5. **Consent Agenda:** “Required Approvals” will appear on a Consent Agenda, in which one motion can address those items delegated to the Chief Executive Officer yet required by law or third party to be Board-approved.
 - A. To use Board meeting time as efficiently as possible, the Chief Executive Officer is to provide substantiation that any Consent Agenda items comply with the Board’s Operational Parameters expectations.
 - B. Items may be removed from the Consent Agenda upon the request of any Board member.
6. **Chief Executive Officer Compensation Review:** At its August meeting each year, the Board will summarize and review its judgments of monitoring activities (monitoring reports, audits, etc.) received during the last year and will determine any adjustments to the Chief Executive Officer’s compensation and benefits, to be effective October 1st.
 - A. Chief Executive Officer compensation decisions will be based upon a review of compensation packages paid to similarly qualified individuals in comparable positions. The Board will maintain a record of the documentation upon which such decisions are made.



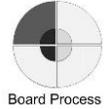
Policy 2.4 Board President's Role and Authority

Date of adoption / Last revision: _____

As SIMA's chief governance officer, the primary role of the Board President ("President") is to assure the integrity and fulfillment of the Board's process, and secondarily to be the official spokesperson of the Board and SIMA's membership.

Accordingly:

1. The President's job is to ensure that the SIMA Board acts in a manner consistent with its policies and in accordance with any rules or requirements legitimately imposed upon it from outside the organization.
 - A. Meeting discussion content is to include only those issues that (consistent with these Policies), belong to the Board to decide, consider or to monitor.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The President is authorized to make decisions consistent with the *Board Process* and *Board/Management Delegation* policies, with the exception of (a) employment/termination of the Chief Executive Officer, or (b) instances where the Board specifically delegates portions of this authority to others. The President may use any reasonable interpretation of these policies.
 - A. The President is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
 - B. The President has no authority to make decisions within the Board's *Ends and Operational Parameters* policy areas. Therefore, the President has no authority to supervise or direct the Chief Executive Officer's work.
 - C. The President may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to him/her. The President may delegate this authority to any other member of the SIMA Board, but the President nonetheless remains fully accountable to the Board for its use.
 - D. President may occasionally represent the SIMA Board to outside parties in communicating decisions or interpretations that fall within the authority delegated to the President.
 - E. Except where specified otherwise in Bylaws or these policies, the President may appoint Board members to serve on and/or chair Board Committees.



Policy 2.5 Board Members' Code of Conduct

Date of adoption / Last revision: _____

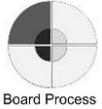
The Board expects of itself and its members ethical, professional and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

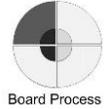
1. Each SIMA Director must demonstrate unconflicted loyalty to the interests of SIMA's membership as a whole, and to the overall well-being of SIMA as an organization, superseding any conflicting loyalties such as that to segments of the ownership, family members, advocacy or interest groups, staff, other organizations or any personal interests as a consumer of the organization's services.
2. SIMA Directors 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.
3. SIMA Directors must avoid conflict of interest with respect to fiduciary responsibility.
 - A. To assure fair and open competitive opportunities and equal access to inside information, the conduct of private business between any SIMA Director and the association is not permitted, except as procedurally controlled to assure openness and competitive opportunity.
 - B. When an issue before the SIMA Board presents an apparent or actual conflict of interest for a SIMA Director, that director will, without comment, absent himself or herself from the discussion and any relevant vote.
 - C. Board members must not use their Board positions to obtain staff employment for themselves, family members or close associates. Should a Board member apply for staff employment, he or she must first resign from the Board.
4. SIMA Directors may not attempt to exercise individual authority over the organization, except as explicitly set forth in SIMA policies.
 - A. Individual SIMA Directors' interactions with the Chief Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly stipulated by the Board.
 - B. Individual SIMA Directors' interactions with the public, media, membership or other entities must recognize that Board members are not to speak for the Chief Executive Officer, or for the Board, except to communicate stated SIMA Board positions.
 - C. Individual SIMA Directors are not to publicly express individual judgments of Chief Executive Officer or staff performance, other than when participating in the Board's monitoring functions.
5. SIMA Directors will respect the confidentiality appropriate to sensitive matters discussed or decided by the Board.
6. SIMA Directors will 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.
7. A SIMA Director aware of credible information that suggests that a Board policy has been violated, by the Board, a Board member and/or the Chief Executive Officer, has an affirmative obligation to bring the concern to the Board's agenda.
8. SIMA Directors should know that service on the Board takes time and attention. While specific practical expectations might vary among directors, preparation for and attendance at Board meetings, and involvement in at least one of the Board's committees are basic requirements for service. Directors are expected to attend at least 75% of the Board meetings in each fiscal year. Attendance below this level may result in proceedings to remove the Director as described in Article V., Section 9 of the Bylaws.

Policy 2.5 Board Members' Code of Conduct, continued

Date of adoption / Last revision: _____



9. SIMA Directors will annually complete a form acknowledging receipt of SIMA's Bylaws and these policies, and disclosing their involvements with vendors or other organizations or associations that might produce a conflict of interest. Directors will promptly update their disclosures if, during the year, a material change in circumstances should occur.



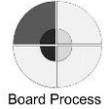
Policy 2.6 Board Committee Principles

Date of adoption / Last revision: _____

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 Chief Executive Officer, or the Chief Executive Officer's to other staff.

Accordingly:

1. Board committees are to help the Board do its job, not to help, advise or exercise authority over staff.
2. In general, SIMA Board committees will ordinarily undertake activities not delegated to the Chief Executive Officer, by preparing policy alternatives and implications for Board consideration, or by performing specific 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 the authority of each committee (in the *Board Committee Structure* policy 2.7) in order not to conflict with authority delegated to the Chief Executive Officer.
4. As the Chief Executive Officer works for the full Board, he or she will not be required to seek approval of a Board committee before an executive action.
5. 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 Chief Executive Officer.



Policy 2.7 Board Committee Structure

Date of adoption / Last revision: _____

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 Chief Executive Officer, or his/her staff designee, will serve as a resource (non-voting member) for each committee.

1. Nominating Committee

A. Product #1: Fulfillment of the Director nomination/election process, as set forth in the Bylaws and these governing policies.

Product #2: Upon election of new Board members, arrangement of orientation in the Board's governing process, an operational overview, and strategic issues of the Board's choosing.

B. Authority: To incur costs of up to \$500 in direct charges and management time as necessary.

C. Composition: Chair-Elect plus two additional Board members elected by the Board each year in November.

2. Governance Committee -

A. Product #1: As directed by the Board or requested by the Chair, preparation and/or review of proposed policy/Bylaws revisions and implications for Board consideration.

B. Authority: To incur costs of up to \$500 in direct charges and management time as necessary.

C. Composition: Chair, Chair-Elect and up to three additional Board members selected by the Board each year.

3. Financial Audit / Investment Committee -

A. Product #1: Confirmation of auditor's independence and recommendation to Board for engagement of auditor by no later than June of each year.

Product #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.

Product #3: Assurance that the auditor has unfettered access to organizational management and records.

Product #4: Review with the independent auditor any problems encountered performing the audit, the audited financial statements, and any management letter provided by the auditor.

Product #5: Direct Inspection (internal audit) monitoring of compliance with the Board's fiscal policies 3.3 *Financial Condition*, 3.4 *Asset Protection*, 3.5 *Budget*, 3.6 *Compensation and Benefits*, as directed/scheduled by the Board per policy 4.4 *Monitoring Chief Executive Officer Performance*.

Product #6: Oversight and management of the investment assets (other than the Operating Fund) of SIMA, in accordance with the *Investment Policy* (policy 2.8).

Product #7: Recommendations for Board consideration regarding revisions to the Board's fiscal policies.

B. Authority: To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs of up to \$_____. **MARTY PROVIDE**

C. Composition: Treasurer to serve as chairperson, plus two additional Board members appointed by the Board. (Not to include the Chief Executive Officer or staff designee as a member).

Policy 2.7 Board Committee Structure, continued

Date of adoption / Last revision: _____



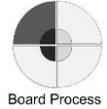
2. **Chief Executive Officer Compensation Committee -**

- A. **Product #1:** Recommendations for Board consideration regarding adjustments to the Chief Executive Officer's compensation (and benefits). To be presented to the Board in a timely manner to allow final action to be taken by October 1st of each year.

Product #2: Accompanying the recommendations, data as to comparable compensation for similarly qualified persons in comparable positions.

Product #3: Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding Chief Executive Officer compensation.

- B. **Authority:** To incur costs of no more than \$250 in direct charges as may be needed for compensation surveys, outside counsel, etc., and up to management time as needed.
- C. **Composition:** A chairperson plus three additional members chosen by the Board each year in May.



Policy 2.8 Investment Policy

Date of adoption / Last revision: _____

The objective of the investment program is to obtain the maximum possible return on Association funds while assuring adequate protection of invested assets. Because SIMA is a non-profit organization, investments should be non-speculative. It must be recognized, however, that all investments carry with them some degree of risk, not only as to the safety of the principal itself, but also with regard to the inflationary erosion which occurs from failure to achieve an adequate return on invested assets.

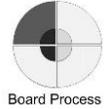
The *Investment Policy* segregates funds into four categories: Operating Fund, Reserve Fund, Business Development Fund, and Scholarship Fund. SIMA will diversify its monetary investments at the appropriate number of financial institutions in order for all such investments to maintain Federal Deposit Insurance Corporation (FDIC) insurability of deposits.

1. Operating Fund

- A. Purpose - To provide sufficient cash flow to meet the financial obligations of the Association..
- B. Objectives – Liquidity and preservation of capital
- C. Dollar Range - 10-15% of annual revenue
- D. Maturity – Immediate access preferred, otherwise limited to one year or less
- E. Allowable Investments:
 - i. Checking accounts in federally insured banks and Savings & Loans
 - ii. Money Market Funds which invest in government back securities.
 - iii. Federally-Insured Certificates of Deposit

2. Reserve Fund

- A. Purpose -- The purpose of the Reserve Fund is to enable SIMA to withstand the impact of economic downturns, both internally and/or externally generated. Amounts needed to increase the Reserve Fund will come from undesignated net assets at a current rate of at least 3% of annual gross revenue, until reserves reach a threshold of 50% of budgeted annual operating expenses. In specific cases, assets from the Reserve Fund can be used towards needs identified in the Business Development Fund.
- B. Objectives –
 - i. To improve the return on funds held for expenditure over the next six months to three years, while managing investment risk.
 - ii. Liquidity, preservation of capital, optimize investment return within a one to five year time frame.
- C. Dollar Range – Amount necessary to overcome any expected cash flow deficiencies for the next three years as well as an amount to cover an unexpected association need. Target goal is to have 50% of annual revenue in the Reserve Fund.
- D. Maturity – From six months to three years.
- E. Allowable Investments:
 - i. FDIC insured Money Market Accounts
 - ii. Money Market Funds which invest in government backed securities.
 - iii. Federally-Insured Certificates of Deposit.
 - iv. Direct Obligations of the U.S. Government, its agencies and instrumentalities.
 - v. Mutual Funds – Mutual funds should have a Morningstar or equivalent service rating of four stars or better. The mutual funds investment vehicles shall not exceed 25% of the amount invested.



Policy 2.8 Investment Policy, continued

Date of adoption / Last revision: _____

F. Prohibited Investments:

- i. Corporate Notes with a minimum rating of investment grade by one rating service.
- ii. Corporate Securities.
- iii. Private Placements.
- iv. Letter Stock.
- v. Derivatives.
- vi. Securities from issuers which have filed for bankruptcy.
- vii. Commodities or commodity contracts.
- viii. Short sales.
- ix. Margin transactions.
- x. Option trading.
- xi. Any speculative investment activities

3. Business Development Fund

- A. The purpose of the Business Development Fund is to set aside funds that will be available for major business initiatives requiring significant developmental or start-up costs. Assets for this fund will begin to be allocated once the Reserve Fund dollar range has been met and sustained. Funding will come from undesignated net assets and will comply with items D., E., and F. of the Reserve Fund.

4. Scholarship Fund

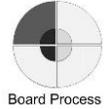
- A. The purpose of the Scholarship Fund is to provide self-sustaining financial support for the Alan Steiman Symposium Scholarship apart from the annual operating budget. The Scholarship Fund will be funded through donations and investment revenue attributed to the Fund's balance.

The long-term goal is to achieve a fund balance of at least \$25,000. Maturity shall be 1 month to 11 months in order to provide a scholarship on an annual basis. Funding provided for the Scholarship Fund shall be restricted to the scholarship and comply with items E. & F. of the Reserve Fund.

5. Real Estate

The Board may consider opportunities for an investment in a permanent office space for SIMA as real estate conditions and SIMA's financial position may allow.

The Finance Committee shall meet at least once per year to review asset allocation, investment selection, portfolio performance, overall adherence to the *Investment Policy*, and to develop recommended allocations to the identified reserve funds.



Policy 2.9 Budgeting for Board Functions

Date of adoption / Last revision: _____

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

Accordingly:

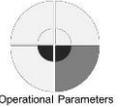
1. The Board will allocate resources to ensure that it has sufficient skills, methods and supports to assure excellence in its leadership.
 - A. A. Training will be used appropriately to orient new Board members and to increase existing Board members' skills and knowledge.
 - B. Outside monitoring, including fiscal audit, will be arranged as needed to help the Board have confidence that organizational performance meets expectations, as stated in these policies.
 - C. Outreach mechanisms will be used as needed to ensure the Board understands owner viewpoints and values.

2. Costs will be prudently incurred, but sufficient to ensure the development and maintenance of superior governance. Line-item considerations for Board prerogatives will include:
 - A. Governance training/consultant(s)
 - B. Board meeting and Retreat costs (including Board member travel/reimbursements)
 - C. Board member travel/reimbursements (for attendance at conferences, workshops, etc.).
 - D. Audit and other third party monitoring of organizational performance.
 - E. Surveys, focus groups and other membership linkage activities.
 - F. Board committee functions (other than Audit, as itemized in C above).

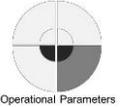
3. The Board will establish its governance budget for the next fiscal year each year during the month of August.

Policy 3.0 General Management Parameter

Date of adoption / Last revision: _____



The Chief Executive Officer shall not cause or allow any practice, activity, decision, or organizational condition that is either unlawful, imprudent, or in violation of commonly accepted business practices and professional ethics and practices.



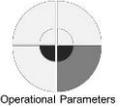
Policy 3.1 Treatment of Members/Constituents

Date of adoption / Last revision: _____

With respect to interactions with members and other constituents, the Chief Executive Officer shall not cause or allow conditions that are unfair, undignified, unsafe, unresponsive, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy

Further, the Chief Executive Officer will not:

1. Elicit information from members for which there is no clear business necessity.
2. Preclude all current members from having full and equal access to inclusion in SIMA's referral system, or from ensuring that all referrals are made on an impartial basis
3. Collect, review, transmit, store or destroy member information without protecting against improper access to that information.
4. Operate without clearly conveying to members what may be expected from the services offered.
5. Operate without precautions to prevent member activities that would violate federal anti-trust guidelines, such as:
 - A. Setting or maintaining prices or factors relating to prices (such as credit, discounts, profit levels or volume of production).
 - B. Allocating or dividing markets or territories, or agreeing not to provide services to a particular geographic area, industry or group of customers in return for a reciprocal pledge from a customer;
 - C. Requiring customers to buy unwarranted products or services in order to obtain the desired product or service (tying); or
 - D. Any organized boycotts of a vendor or vendors by a group of customers, or any organized boycotts of a customer or customers by a group of vendors.
6. Operate without informing members, as appropriate, of this policy, and without having in place a complaint/ response process to address concerns raised by members.



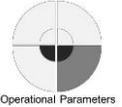
Policy 3.2 Treatment of Staff

Date of adoption / Last revision: _____

With respect for the treatment of volunteers and employees, the Chief Executive Officer will not cause or allow conditions that are unfair, unsafe or undignified.

Pertaining to employees, the Chief Executive Officer will not:

1. Operate without ensuring employees are provided with written personnel policies, reviewed by qualified legal counsel, which clarify personnel rules for employees, provide for effective handling of grievance and protect against wrongful conditions.
2. Allow staff to be unaware of the Board's governing policies including, but not limited to, this *Treatment of Staff* policy, along with the Chief Executive Officer's interpretations of staff's protections under this policy.
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 SIMA 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. Staff may not be prevented from grieving to the Board when (a) internal grievance procedures have been exhausted and (b) the employee alleges that Board policy has been violated.
4. Allow staff to be unprepared to deal with reasonably foreseeable emergency situations.



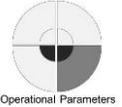
Policy 3.3 Financial Condition and Activities

Date of adoption / Last revision: _____

With respect to financial condition and activities, the Chief Executive Officer 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 Chief Executive Officer will not:

1. Expend more funds than have been received in the fiscal year to date, unless the liquidity and long-term reserve requirements below are met:
 - A. The Chief Executive Officer will not incur any indebtedness on behalf of the organization for amounts greater than \$10,000, with the exception of credit cards for normal business purposes paid in full each month.
 - B. The Chief Executive Officer will not allow cash to fall below a safety reserve of ten percent (10%) of budgeted annual operating expenses.
2. Use Board-designated reserve funds.
3. Operate without settling payroll obligations and payables in a timely manner.
4. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
5. Execute any contracts or purchase commitments pertaining to the Snow & Ice Symposium without the Board's prior approval of the date and location for the Symposium.
6. Execute a check or purchase commitment of greater than \$10,000, 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. Execute a check over \$10,000 without written authorization of the Treasurer.
8. Acquire, encumber, lease or dispose of real property (land and/or buildings).
9. Operate without aggressively pursuing material receivables after a reasonable grace period.
10. 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).



Policy 3.4 Asset Protection

Date of adoption / Last revision: _____

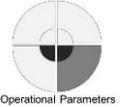
The Chief Executive Officer will not cause or allow SIMA's assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, the Chief Executive Officer will not:

1. Allow the organization to be uninsured:
 - A. Against theft and casualty losses to at least replacement value.
 - B. Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations.
 - C. Against employee theft and dishonesty.
2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
3. Operate without employing risk management practices to minimize exposure of the organization, the Board, staff or their agents to claims of liability.
 - A. The Chief Executive Officer shall not fail to ensure adherence to, by staff, volunteers, speakers, etc., a "SIMA Anti-Trust Guidelines" document, which is to be periodically reviewed and approved by qualified legal counsel, which includes Counsel's opinion as to the liabilities and responsibilities of SIMA and members participating in SIMA activities under Federal Anti-Trust Laws.
4. Allow any purchase without reasonable protection against conflict of interest.
5. Allow a purchase of \$5,000 or more without having compared prices and quality.
6. Allow SIMA's intellectual property, information and files to be exposed to loss, improper access or significant damage or operate without adherence to an IRS approved Records Retention Schedule, for the maintenance of documents and records.
7. 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).
8. Undermine, cause to lose credibility, or otherwise jeopardize the independence and transparency of any relationship the Board establishes with auditors or other entities of governance support. The Chief Executive Officer may not engage such parties without explicit Board authorization.
9. Invest or hold operating capital in a manner inconsistent with the requirements for the "Operating Fund" as set forth in the Board's *Investment Policy* (policy 2.8).
10. Endanger the organization's public image or credibility.
11. Change the organization's name or substantially alter its identity.

Policy 3.5 Financial Planning / Budgeting

Date of adoption / Last revision: _____



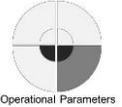
Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's outcomes priorities, risk financial jeopardy or fail to address multi-year (up to three years) planning considerations.

Accordingly, the Chief Executive Officer will not allow budgeting that:

1. Risks incurring those liquidity situations or conditions described as unacceptable in the *Financial Conditions and Activities* policy 3.3.
2. Omits credible projection of revenues and expenses, separation of operational and capital (including depreciation) 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.
4. Fails to allocate at least three percent (3%) of gross cash revenues to operating reserves, until reserves reach a threshold of fifty percent (50%) of budgeted annual operating expenses.
5. Does not provide for Board activities and leadership development expenses (per the *Budgeting for Board Functions* policy 2.9)

Policy 3.6 Compensation and Benefits

Date of adoption / Last revision: _____



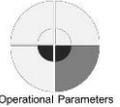
The Chief Executive Officer will not cause or allow jeopardy to the organization's fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants or contractors.

The Chief Executive Officer will not:

1. Establish salaries and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
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 Chief Executive Officer Succession

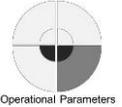
Date of adoption / Last revision: _____



To protect the Board from the unexpected loss of Chief Executive Officer services, the Chief Executive Officer will have no fewer than one other member of the management team sufficiently familiar with Board and ED issues and processes to take over with reasonable proficiency as an interim successor.

Further:

1. The Chief Executive Officer shall not operate without management succession planning processes to facilitate smooth and competent operation of the organization between key personnel transitions.



Policy 3.8 Board Awareness and Support

Date of adoption / Last revision: _____

With respect to the Board's work in setting direction, outcomes and policies, and its responsibility to sustain the well-being of the association for the benefit of the members, the Chief Executive Officer shall not permit the SIMA Board to be uninformed or unsupported.

Further, the Chief Executive Officer will not:

1. Neglect to submit monitoring reports, including the Chief Executive Officer's policy interpretations corresponding performance data, as required by the Board (see *Monitoring Chief Executive Officer Performance* policy 4.4) in a timely, accurate and understandable fashion.
2. Allow the Board to be unaware of any actual or anticipated noncompliance with any *Ends or Operational Parameters* policy, regardless of the monitoring schedule set forth by the Board.
3. Let the Board be without objective decision information it periodically requests, or unaware of material trends and issues relevant to the association (e.g. anticipated adverse media coverage, threatened or pending litigation, or material external or internal/organizational changes. Notification of planned material changes is to be provided in advance, when feasible.
4. Let the Board be unaware of any Board or Board member actions that, in the Chief Executive Officer'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 actions that are detrimental to the Board/Staff working relationship.
5. Allow the Board to be without reasonable logistical and clerical support for official Board officer or committee communications and functions.
 - A. The Chief Executive Officer shall not fail to supply timely and accurate updates of the Board's *Governing Policies Manual* for certification by the Secretary/Treasurer of the Board.
6. Neglect to submit for the consent agenda all items delegated by the Board to the Chief Executive Officer, yet required by law or contract to be Board-approved, along with the applicable monitoring information.

Policy 4.0 Board/Management Connection

Date of adoption / Last revision: _____



The SIMA Board’s sole official connection to the operations of the organization (i.e., to the conduct, achievement and evaluation of its programs, services and all its activities) shall be through a chief executive officer, titled “Chief Executive Officer.”

Policy 4.1 Unity of Control

Date of adoption / Last revision: _____



Only decisions, instructions or directions of the SIMA Board acting as a whole are binding on the Chief Executive Officer.

Accordingly:

1. No Board member, officer or committee has authority over the Chief Executive Officer or any member of the Chief Executive Officer's staff, except in rare instances when such authority is specifically delegated by the Board as a whole..
2. Board members or committees may request information. If in the Chief Executive Officer's judgment fulfilling the request 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 Authority and Accountability of the Executive Director

Date of adoption / Last revision: _____



All Board authority delegated to management is delegated through the Chief Executive Officer. Therefore, as far as the SIMA Board is concerned, the authority and accountability of the staff is considered the authority and accountability of the Chief Executive Officer.

Accordingly:

1. The SIMA Board will consider and evaluate Chief Executive Officer performance as synonymous with organizational achievement of *Ends* and compliance with *Operational Parameters*.
2. Consequently, the Chief Executive Officer accountability and evaluation are based on performance in two areas:
 - A. Organizational accomplishment of Board's established Ends priorities.
 - B. Organizational operations within the parameters of legality, prudence and ethics established in the Board's *Operational Parameters* policies.
3. The SIMA Board will not evaluate (either formally or informally) any staff other than the Chief Executive Officer.
4. The Board will not give instructions to any persons who report directly or indirectly to the Chief Executive Officer.

Policy 4.3 Delegation to the Chief Executive Officer

Date of adoption / Last revision: _____



The SIMA Board will direct the Chief Executive Officer through written policies that prescribe the organizational Ends/Priority Results to be achieved and that describe the organizational situations, conditions and actions to be avoided (in its Operational Parameters); allowing the Chief Executive Officer to use any reasonable interpretation of these policies.

1. Ends policies direct the Chief Executive Officer to realize certain results for specified recipients at a relative value or priority. These policies will be systematically developed from the broadest, most general level to more defined levels.
2. Operational Parameters policies define the boundaries of legality, ethics and prudence within which the Chief Executive Officer is expected to operate. These policies describe those practices, activities, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. These policies will also be systematically developed from the broadest, most general level to more defined levels.
3. The Board will not prescribe organizational means/activities that are delegated to the Chief Executive Officer.
4. An *Ends* or *Operational Parameters* policy at a given level does not limit the scope of any preceding level.
5. The Chief Executive Officer is authorized to establish all 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 Operational Parameters policies.
6. The SIMA Board may change its Ends and Operational Parameters policies, thereby shifting the boundaries between Board and Chief Executive Officer domains. By doing so, the Board changes the latitude of choice delegated to the Chief Executive Officer. However, as long as any particular delegation is in place, the Board will respect and support Chief Executive Officer decisions that are reasonable interpretations of Board policies.

Policy 4.4 Monitoring Chief Executive Officer Performance

Date of adoption / Last revision: _____



The SIMA Board will systematically and rigorously monitor Chief Executive Officer job performance, determining the extent to which Ends are being accomplished and whether organizational activities fall within the limitations delineated in the *Operational Parameters*.

1. Monitoring of Chief Executive Officer performance will be based only on data that help 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 Chief Executive Officer performance
2. The SIMA Board will monitor a given policy by one or more of three methods:
 - A. **Internal Reports**, in which the Chief Executive Officer discloses in writing his/her interpretations, along with data supporting his/her assessment of accomplishment of (Ends) or compliance with (Parameters) the policy being monitored.
 - B. **External Assessment**, in which a third party selected by and reporting to the Board assists in the Board's assessment of accomplishment of, or compliance with, Board policy(ies), as reasonably interpreted by the Chief Executive Officer.
 - C. **Direct Inspection**, in which designated Board member(s) or a committee assesses accomplishment of, or compliance with, a given policy, as reasonably interpreted by the Chief Executive Officer.
3. In every case, the Board commits itself to accept any reasonable Chief Executive Officer interpretation of the Board policy being monitored. The Board will always judge with a "reasonable person" test (whether what the Chief Executive Officer did was what a reasonably prudent executive would do in that context), even if those choices may not be the choices the Board or any of its members may have made.
4. In every case, the Board will judge whether:
 - A. The Chief Executive Officer's interpretation is reasonable and
 - B. Data demonstrate reasonable accomplishment of, or compliance with, the Chief Executive Officer'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 Chief Executive Officer 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 monitoring schedule:



Policy 4.4 Monitoring Chief Executive Officer Performance, continued

Date of adoption / Last revision: _____

BOARD MONITORING SCHEDULE			
Policy	Method	Frequency	Schedule
<u>Ends/Priority Results</u>			
1.0 Broadest Ends/Priority Results Statement	Internal	Annually	October
1.1 Member Knowledge and Skills	Internal	Annually	May
1.2 Business Resources and Tools	Internal	Annually	May
1.3 Awareness of SIMA and Professional Practices	Internal	Annually	May
1.4 Environmental Stewardship Techniques and Materials	Internal	Annually	June
1.5 Recognized Standards of Quality and Excellence	Internal	Annually	October
<u>Operational Parameters</u>			
3.0 General Management Parameter	Internal	Annually	August
3.1 Treatment of Members/Constituents	Internal	Annually	May
3.2 Treatment of Staff	Internal	Annually	January
3.3 Financial Condition and Activities	Internal	Quarterly	February / May / August / November (inc. Monthly P/L, Balance Sheet, cash flows)
	Direct inspection	Semi-annually	April/October
	External	Annually	January (for fiscal year ended previous 9/30)
3.4 Asset Protection	Internal	Annually	November
3.5 Financial Planning / Budgeting	Internal	Semi-Annually	October (new fiscal year forecast) April (mid-year updated forecast)
3.6 Compensation and Benefits	Internal	Annually	August
3.7 Emergency Chief Executive Officer Succession	Internal	Annually	December
3.8 Board Awareness and Support	Internal	Annually	May



Governing Policies of the SIMA Board of Directors