



**FRAMINGHAM PUBLIC ACCESS CORPORATION  
CORPORATE POLICIES AND PROCEDURES EFFECTIVE SEPTEMBER 15, 2015**

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## **1 Board Roles and Practices**

### **1.1 Responsibilities of the Board**

- 1. Determine mission and purpose of the organization.**
- 2. Select the Executive Director.**
- 3. Support and evaluate the Executive Director.**
- 4. Participate in an overall planning process and assist in implementing and monitoring the plan's goals.**
- 5. Determine which corporate activities are consistent with the organization's mission and monitor their effectiveness.**
- 6. Ensure adequate financial resources to fulfill the organization's mission.**
- 7. Protect assets, provide proper financial oversight, assist in developing the annual budget and ensure that proper financial controls are in place.**
- 8. Build a competent Board by articulating prerequisites for candidates, orienting new members, and periodically and comprehensively evaluating our own performance.**
- 9. Ensure legal and ethical integrity.**
- 10. Articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.**

Important as it is to understand what the duties of the Directors include, it is equally important to understand what they do not include. Directors should **not**:

- 1. Engage in the day-to-day operation of the organization except when acting as members, in which case they are subject to the same rules as other members.**
- 2. Hire staff other than the Executive Director.**
- 3. Make detailed programmatic decisions more appropriately left to staff.**
- 4. Direct or advise the Executive Director, except through the President, who is the appropriate channel for most communications between the Board and the Executive Director, unless otherwise necessitated by the duties of offices and committees.**
- 5. Discuss with any employee any information about matters of employment, or other matters that are discussed by the Board in Executive Session.**

### **1.2 Board Member Job Description**

- 1. Attend all Board meetings, meetings of committees of which they are a member, and functions such as the Annual Meeting and special events.**
- 2. Be informed about the organization's mission, services, policies, and programs.**
- 3. Review agenda and supporting materials prior to Board and committee meetings.**
- 4. Understand and, if necessary, query all financial and budgetary matters.**
- 5. Ensure that the organization's legal affairs are in order; know the Board's legal obligations and make sure they are upheld.**

6. Serve on committees or task forces and offer to take on special assignments.
7. Inform others about the organization; promote the organization throughout the community; encourage others to become members.
8. Suggest possible nominees to the Board who can make significant contributions to the work of the Board and the organization.
9. Keep up-to-date on developments related to community media and best practices of non-profit governance.
10. Follow conflict-of-interest and confidentiality policies.
11. Refrain from making special requests of the staff.
12. Review the organization's annual financial statements.

### **1.3 Board Conflict of Interest Policy**

Board members must avoid conflicts of interest.

1. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as meet established Board procedures for openness, competitive opportunity and equal access to inside information.
2. Board members will disclose their involvement with other organizations, with vendors or any other associations which might produce a conflict.
3. Board members will immediately disclose and recuse themselves from all discussions and decisions on which they have a material conflict.
4. Board members shall not receive any compensation for their services to the corporation, as stated in section 4.07 of the by-laws.
5. Board members shall recognize that FPAC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes

#### **1.3.1 Violations of the Board Conflict of Interest Policy**

1. If the Board has reasonable cause to believe a person to whom this Board Conflict of Interest Policy applies has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford that person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board determines that the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Each Board member shall annually sign a statement affirming that he or she:

1. Has received a copy of this Board Conflict of Interest Policy
2. Has read and understands the policy
3. Has agreed to comply with the policy

#### **1.4 Board Code of Conduct**

Our Board members sign this code of conduct:

As a member of the FPAC Board of Directors, I will

1. be committed to the mission of FPAC
2. act in a manner consistent with the mission and values of FPAC
3. focus my efforts on the mission of FPAC and not on my personal goals
4. accept responsibility and share power in order to work as a productive, cooperating member of the Board of Directors
5. avoid conflicts of interest between my position as a Board member and my personal and professional life
6. disclose any conflicts of interest I have or may potentially have with any subject under discussion
7. recuse myself from any vote in which I have or may potentially have a conflict of interest
8. support in a positive manner all actions taken by the Board of Directors even when I am in a minority position on such actions
9. never exercise authority as a Board member except when acting in a meeting with the full Board or as I am delegated by the Board
10. keep confidential matters confidential
11. be accountable to the membership and the community for competent, conscientious and effective accomplishment of the obligations of the Board
12. ensure that discrimination is never practiced at FPAC
13. act in a manner consistent with this Code of Conduct despite personal opinions, values or differences
14. attend meetings consistently, prepare for meetings, participate fully, and otherwise fulfill my fiduciary obligations to FPAC

#### **1.5 Nomination**

Building the Board of Directors is an ongoing, year-round function: prospecting, contacting, recruiting, orienting, supporting, providing ongoing training, and evaluating Board directors. The nominating committee should review the mission, vision, goals and strategies, and then

determine any new skills, knowledge, personal contacts and other attributes future Board directors will need to possess in order for the Board to do its part in advancing the strategic plan. All Board members should seek appropriate candidates throughout their networks and consider asking suitable candidates to submit a Board application form.

### **1.5.1 Nominations for General Election**

#### **1. Forming the Nominating Committee**

By June 30<sup>th</sup> each year, AF-TV members shall be informed of the opportunity to serve on the nominating committee, and asked to submit a letter of interest to Access Framingham, explaining why they would like to serve on the nominating committee, and what their qualifications are.

At the July or August Board meeting, the Board chooses either 5 or 7 members of a nominating committee by majority vote. At least four nominating committee members must be Board members, up to two may be non-Board AF-TV Members, and one should be an AF-TV staff member. It is desirable but not mandatory to include non-Board members on the nominating committee.

#### **2. Notifying the Members and Public**

At least six (6) weeks prior to the Annual Meeting (late July or early August for a mid- to late-September meeting), the Clerk shall notify AF-TV members of the number and terms of Director positions to be filled at that meeting. The information is included in any summer AF-TV newsletter and the AF-TV website. Such notification includes or links to information regarding expectation for serving on the FPAC Board of Directors, including the Responsibilities of the Board, the Board Code of Conduct, the Board Member Job Description, and the Application to Serve on the AF-TV Board.

There is also a reminder in June, by email and on AF-TV's own distribution channels, of the requirement to be a member of AF-TV for at least 45 days prior to the Annual Meeting in order to vote at that meeting.

#### **3. Applications for the Board**

Interested candidates complete a Board Application Form, available at Access Framingham and on the AF-TV website, which must be submitted to Access Framingham at least four (4) weeks before the date of the Annual Meeting (mid- to late-August for a mid-to late-September meeting). In order to be considered for the FPAC Board, candidates must agree on the Application to accept the responsibilities of Board membership and abide by all Board and FPAC policies.

#### **4. Meeting of the Nominating Committee**

The nominating committee meets at least three weeks before the Annual Meeting to review applications and recommend by majority vote a slate of nominees

according to the needs of the organizer nation. The slate must include at least as many nominees as there are Board seats to be filled by election at the Annual Meeting.

#### 5. **Candidate Information**

The candidates' information is posted on the AF-TV website and emailed to members at least one week before the Annual Meeting.

#### 6. **Nominations Accepted from the Floor**

Members who are eligible to vote may nominate additional candidates for the Board at the Annual Meeting. Each nomination must be for a specific available term. Once a person has been nominated from the floor for a specific term, that person cannot be nominated for a second, different term.

### 1.5.2 **Nominations to Fill Vacancies**

When an elected Board position opens between Annual Meetings, the Board will solicit interest from potential candidates, who then submit the Board Application Form and attend a Board meeting if possible. At a regular or special Board meeting, the Board then chooses by majority vote the candidate who best meets FPAC's current needs. If no suitable candidate is found, the Board may repeat the process. The Board does not have to accept any candidate deemed not in the best interest of FPAC.

### 1.5.3 **Nominations for Appointed Positions**

According to the FPAC By-laws, the Board may, by majority vote, appoint up to two (2) voting Board member(s) for one-year terms for the purpose of providing the Board with special expertise. The Board votes in advance on whether to extend such an invitation to any given candidate. Approved candidates are then asked to complete and submit the Board Application Form, and their appointment is voted on at the following Board meeting.

## 1.6 **Election of Board Members**

1. When attendees checking in at the Annual Meeting, their membership status is checked against the lists of paid members and unpaid members. In order to vote, they must have been a member for at least 45 days, and their membership must be current and in good standing. At check-in, all qualified voters receive a ballot.
2. Each year at the Annual Meeting, members elect three directors for 3-year terms. In some years, there may be additional vacancies due to early resignations or departures, in which case elections will be held to fill any unexpired terms. A Board member appointed to fill a vacancy during the year serves only until the next Annual Meeting.
3. The ballot will contain a slate of nominees for specific terms of office put forward by the nominating committee. Nominations for a specific available term are also accepted at the meeting, in accordance with Section 1.5.1.6. Any candidate for the Board of Directors

who is not already a member of FPAC must show proof of eligibility for FPAC membership.

4. Each nominee may address the membership regarding his or her candidacy for up to two minutes.
5. Members vote by written ballot and can cast a total number of votes equal to the number of vacancies, with no more than one vote per nominee. The election is held by "term of office"; that is, an election of the nominee(s) for the 3-year term, an election of the nominee(s) for the 2-year term, etc. The candidates receiving the most votes for each term are elected. In case of any tie votes, a run-off election is held between those candidates who were tied. The run-off winner with the most votes will serve on the Board. If the run-off election results in a second tie, the decision of who is elected will be made by the Board of Directors at its first meeting after the Annual Meeting.
6. New Board members then sign the FPAC Board Conflict of Interest Policy and Board Code of Conduct, and join Access Framingham if they are not already members.

## **1.7 Election of Officers**

Officers are elected by majority vote of the Board of Directors, at the first Board meeting following the Annual Meeting. The new officers are effective following the adjournment of that meeting.

## **1.8 Role of Officers**

### **1.8.1 President**

1. Chairs meetings
2. Speaks for the Board when authorized to do so by the Board
3. Directly supervises the Executive Director
4. Acts as a conduit for communication between the Board and the Executive Director.
5. Meets at least monthly with the Executive Director
6. Provides leadership to the Board
7. Provides an agenda to each Board member at least four days before each Board meeting
8. Ensures that all voices are heard

### **1.8.2 Vice-President**

1. By accepting this office, signals a willingness to serve as the next President
2. Carries out special assignments as requested by the President



3. Presides in the absence of the President

### **1.8.3 Treasurer**

1. Understands financial accounting for nonprofit organizations
2. Serves as the chair of the finance committee
3. Reports on the state of FPAC finances at monthly Board meetings
4. Manages, with the finance committee, the Board's review of and action related to the Board's financial responsibilities
5. Works with the Executive Director, the bookkeeper and the accountant to ensure that appropriate financial reports are made available to the Board on a timely basis
6. Reports the annual operating and capital budgets to the Board for approval
7. Reviews the annual audit or financial statement and reports on it to the Board
8. Is responsible for providing the monthly financial report to each Board member at least four days before each Board meeting

### **1.8.4 Clerk**

#### **1. Minutes**

The Clerk is responsible for ensuring that accurate minutes of meetings are taken and approved. The Clerk signs a copy of the final, approved minutes and ensures that this copy is maintained in the corporate records. The Clerk is responsible for providing the minutes of the previous meeting to each Board member at least four days before each Board meeting.

#### **2. Custodian of Records**

The Clerk ensures that the records of the organization are maintained as required by law and made available when required by authorized persons. These records may include founding documents (e.g., letters patent, articles of incorporation), lists of directors, Board and committee meeting minutes, financial reports, and other official records.

#### **3. Membership Records**

The Clerk ensures that official records are maintained of members of the organization and Board. She or he ensures that these records are available when required for reports, elections, referenda, other votes, etc.

#### **4. By-Laws**

The Clerk ensures that an up-to-date copy of the by-laws is available at all meetings.

**5. Communication**

The Clerk ensures that proper notification is given of directors' and members' meetings as specified in the bi-laws. The Clerk manages the general correspondence of the Board of Directors except for such correspondence assigned to others.

**6. Meetings**

In the absence of the President and Vice-President, the Clerk calls the meeting to order, presiding until a temporary chairperson is elected. The Clerk oversees recording of meeting minutes for Board meetings and the Annual Meeting.

**7. Filing of Documents**

The Clerk may be the registered agent with respect to the laws of the jurisdiction; the person upon whom legal notice to the Corporation is served, and responsible for ensuring that documents necessary to maintain the Corporation are filed, or these duties may be delegated to the Executive Director.

**8. Clerk Duties Specific to Massachusetts**

The Commonwealth of Massachusetts requires non-profit corporations to file certain forms with the Secretary of State. These include changes of principal address and changes to the Articles of Organization. The Clerk is responsible for these filings.

**9. Annual Report**

The Clerk must file an annual report with the Massachusetts Secretary of State every November. It includes names, addresses and terms of current officers and Board members, and the time and place of the annual meeting. The form can be found at <http://www.sec.state.ma.us/cor/corpdf/180npcar.pdf>. The Executive Director receives an annual notice that includes the information for online filing.

**10. Change of Officers**

The Clerk must file a Change of Directors or Officers form after Board elections. The form can be found at <http://www.sec.state.ma.us/cor/corpdf/180ccdo.pdf>.

**1.9 Role of Committees****1.9.1 Board Committee Principles**

The Board establishes committees are created to do Board work. Committees should never interfere with delegation from the Board to the Executive Director. The President appoints members and Chairs of all committees, with approval by the Board. Every Board member should serve on at least one committee. Any voting or associate member in good standing is eligible to serve on a Board committee. The President is a voting ex-officio member of every committee.

1. Committees will assist the Board by preparing policy alternatives and implications for Board deliberation and making policy recommendations.
2. Board committees may not speak or act for the Board except when formally given such authority. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Executive Director.
3. Board committees cannot exercise authority over staff.

According to the FPAC by-laws, the standing committees are the following:

### **1.9.2 Executive Committee**

No powers have been delegated to the executive committee, which consists of Board officers as defined in Section 1.8.

### **1.9.3 Finance Committee**

Reviews FPAC's budgets, investments, finances and financial procedures, and makes recommendations to the Board of Directors regarding the same, and consults with the FPAC accountant or bookkeeper if necessary.

### **1.9.4 Human Resources Committee**

Reviews personnel policies and makes recommendations to the Board of Directors regarding the evaluation of the Executive Director, Executive Director compensation, and the hiring and/or termination of the Executive Director; makes recommendations to the Board of Directors regarding proposed changes to staffing levels, job titles, descriptions and rates of pay. Note that the Executive Director is responsible for hiring, evaluation, compensation, and termination of all other staff members.

### **1.9.5 Governance Committee**

Reviews FPAC by-laws and all policies and procedures, and recommends proposed changes to the Board of Directors.

### **1.9.6 Development Committee**

Creates an annual FPAC fundraising plan in time for tax form PC, due annually on May 15; plans and provides leadership for FPAC promotion, publicity and fundraising events and activities.

### **1.9.7 Other Committees**

Other ad hoc committees, such as the nominating committee, and task forces may be created or terminated by vote of the Board on an as-needed basis.

## **1.10 Board Meetings**

### **1.10.1 Meeting Reports and Agenda**

At least four days before the meeting, the President will provide to all Board members and the Executive Director the agenda for the meeting, the Treasurer is responsible for providing the monthly financial report, the Clerk is responsible for providing the minutes of the previous meeting, and the Executive Director will provide his or her monthly report. The monthly financial reports shall include the budget and expenses for the year through the last day of the month before the monthly Board meeting and, in addition, will include the annual budget and percent of the budget expended to date.

### **1.10.2 Conducting the Meeting**

The President, or in the absence of the President, the Vice-President chairs the meeting and decides questions of procedure. A second is required for a motion. A motion must be completely stated in the minutes, together with the vote. The chair of any committee that has met since the previous meeting should report the committee's proceedings to the Board.

### **1.10.3 The Minutes**

The Clerk should keep signed copies of the minutes and all at Penn did the documents, and another set should be kept on file at FPAC. Board meeting minutes should include:

1. Name of the organization
2. Date and time of meeting
3. Board members in attendance, excused, and absent
4. Existence of a quorum
5. Voting results
6. Reports and documents introduced
7. Future action steps
8. Ending time of meeting
9. Signature of Secretary
10. Motions made and seconded, and by whom
11. A brief account of any debate or discussion

### **1.10.4 Executive Session**

When a meeting goes into executive session, the purpose must be stated and recorded in the minutes of the regular session. Votes in executive session do not have to be by roll call. After leaving executive session, any public decisions should be read into the public minutes.

Executive session minutes should each be reviewed at the December meeting and released, if appropriate.

### **1.11 Board Evaluation**

The Board of Directors will evaluate his performance annually in June based on an evaluation system chosen by the Board, and will also solicit feedback from the Executive Director.

### **1.12 Board Year**

The Board Year begins when the first Board meeting that follows the Annual Meeting is called to order. It ends when the subsequent Board Year begins. Board members newly elected at an Annual Meeting take office at the beginning of the next Board Year.

## **2 Board Policies for FPAC Staff and Members**

### **2.1 Board-Executive Director Relations**

#### **2.1.1 Executive Director Limitations**

The Executive Director shall operate FPAC in a manner which is lawful, prudent, and in accordance with commonly accepted FPAC business practices, professional ethics, and the policies set by the Board of Directors, and enhances FPAC's public image, and preserves fiscal integrity and tax-exempt status.

#### **2.1.2 Board Limitations**

The Board's sole official connection to the operating organization, its achievement, and conduct will be through the Executive Director. Only decisions of the Board acting as a body are binding on the Executive Director.

#### **2.1.3 Accountability of the Executive Director**

The Executive Director is the Board's formal link to FPAC's operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Executive Director.

#### **2.1.4 Delegation to the Executive Director**

The Board will instruct the Executive Director through written policies. From time to time, the Board may change its policies, thereby shifting the boundaries between Board and Executive Director responsibilities. As long as the Executive Director uses reasonable interpretation of the Board's policies, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.

### **2.1.5 Monitoring Executive Director Performance**

The Human Resources committee will review the performance and compensation of the Executive Director annually on a mutually agreed-upon schedule, based on annual goals approved by the Board.

The Board will acquire monitoring data by any of the following methods:

1. Internal reports prepared by the Executive Director
2. External reports prepared by a third party selected by the Board
3. Direct inspection by a designated member or members of the Board, including inputs from community members and staff

The Human Resource committee will present its review and recommendations, including recommended goals for the following year, to the Board of Director in Executive Session for Board approval. The Board will vote on those recommendations and will make final determination of goals for the following year. The President will present the results of the vote privately to the Executive Director.

### **2.1.6 Communication and Support to the Board**

The Executive Director shall communicate with the Board in a timely and sufficient manner to keep the Board informed and prepared for its work.

The Executive Director shall submit monitoring information required by the Board in a timely, accurate, and understandable fashion, directly addressing the Board policies being monitored.

The Executive Director shall report and prepare recommendations and suggest corrective action in a timely manner on any actual or anticipated non-compliance with any policy of the Board, allowing sufficient time for the Board to consider corrective action.

The Executive Director shall keep the Board informed of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in assumptions upon which any Board policy has been or is being established.

## **2.2 Staffing Policies**

### **2.2.1 Staff Recruitment, Compensation and Benefits**

1. With respect to employment, compensation and benefits to employees, consultants and contract workers, the Executive Director shall operate FPAC in a manner that is nondiscriminatory. All open positions must be publicly posted.
2. All employees shall be employees at will and any employment contract shall so state.
3. Employees of FPAC shall have a demonstrated commitment to the mission.

4. Compensation and benefits should be reasonable within the state and regional marketplace.
5. In no instance shall excess benefits (value of compensation in excess of value of services) be given to a disqualified person (anyone in a position to exercise substantial influence over FPAC).
6. Compensation data for similar organizations will serve as a benchmark in determining reasonable compensation and benefits to FPAC employees.
7. Compensation and benefits should be flexible enough to attract and retain employees who are best able to assist FPAC in achieving its mission, including the ability to attract a diverse workforce and provide opportunities for professional growth.
8. FPAC will strive to develop a compensation and benefit system that allows full-time employees to maintain an acceptable quality of life.
9. Only the Board of Directors can change the Executive Director's compensation and benefits.
10. The Executive Director should not incur any compensation or benefit obligations over a longer term than revenues can safely be projected, in no event longer than one year, and in all events subject to losses of revenues.

### **2.2.2 Treatment of Staff and Members**

All staff and members of FPAC will receive fair, humane and dignified treatment and shall be afforded all rights guaranteed under municipal, state or federal law. Accordingly, FPAC practices will promote pluralism and diversity within its staff and members.

1. The Executive Director will draft, with legal advice, and maintain written staff policies that reflect the policies of the Board, clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
2. FPAC shall provide equal employment opportunity and advancement to qualified individuals without regard to gender, race, age, religion, cultural background, disability, sexual orientation or military status. FPAC will not discriminate against any staff member or member on these bases.
3. The privacy of personnel records shall be protected in accordance with state and federal law.

### **2.2.3 Staff Conflict of Interest**

Staff must avoid conflicts of interest.

1. There must be no self-dealing or any conduct of private business or personal services between any staff member and the organization except as meet established Board

procedures for openness, competitive opportunity and equal access to inside information.

2. Staff will disclose their involvement with other organizations, with vendors or any other associations that might produce a conflict.
3. Staff will immediately disclose and recuse themselves from all discussions and decisions on which they have a material conflict.
4. Any employee may accept outside employment outside of his or her normal work hours as long as said employment is not in conflict of interest with the performance of his or her duties to Access Framingham. The employee must discuss any employment that may present a conflict of interest in advance with his or her supervisor.

#### **2.2.4 Staff Rights**

Staff shall have the ability to bring grievances to the Board when (1) internal grievance procedures have been exhausted and (2) the employee alleges either that (a) Board policy has been violated to his or her detriment or (b) Board policy does not adequately protect his or her human rights.

The Executive Director will assure that all staff and members have been informed of their rights under this policy.

#### **2.3 Treatment of Members**

FPAC shall establish in writing and implement procedures, conditions and practices in which all Members or those applying to be Members are treated in a manner which is fair, dignified, humane, legal, ethical, safe, appropriately protects confidentiality or privacy, and is not unnecessarily intrusive.

FPAC shall promote diversity and provide equal opportunity for participation to qualified individuals without regard to gender, race, religion, ethnicity, age, cultural background, disability, sexual orientation or veteran status.

The only information solicited from members should be information necessary for FPAC operations. FPAC shall not disclose information about a member without prior approval by that member. Member privacy will be protected in accordance with state and federal law.

FPAC shall provide Members with written policies to ensure that Members have a clear understanding of what may be expected, and what may not be expected, from the services provided; the requirements and expectations for FPAC membership and use of FPAC equipment and facilities; and the procedures for and consequences of violations of FPAC policies.



### **3 Board Financial Policies**

#### **3.1 Fiscal Year**

The fiscal year is the calendar year.

#### **3.2 Fiscal Prudence**

With respect to the actual, ongoing financial condition and activities, the Executive Director will operate FPAC in a sound and prudent fiscal manner for short- and long-term financial health, not deviating materially from Board-stated priorities.

Accordingly:

1. Total expenses shall not exceed available organizational resources
2. Unrestricted operating expenses shall not exceed unrestricted operating income on an annual basis, unless approved in advance by the Board
3. All other Board policies (see Budgeting) are met

##### **3.2.1 Internal Financial Reporting**

The Executive Director will maintain internal financial reports sufficient to monitor the financial activity of FPAC in accordance with all other financial policies. The Executive Director will prepare a monthly report as requested by the Board, to include a monthly profit and loss statement, monthly capital expenditures, budget versus actual expenditures and an end-of-month balance sheet.

##### **3.2.2 Internal Financial Controls**

The Executive Director will maintain internal controls as defined by the standards of the American Institute of Certified Public Accountants to provide reasonable assurance of the reliability of financial reporting, effectiveness and efficiency of the operation, and compliance with applicable laws and regulations.

The Executive Director will maintain internal controls as defined in federal audit or review requirements.

##### **3.2.3 Timely Financial Practices**

The Executive Director will accurately prepare and file on a timely basis all reports, fees and documentation required by federal, state, and local government.

The Executive Director will settle payroll and other debts in a timely manner.

##### **3.2.4 Debt**

The Executive Director must seek Board approval before incurring any debt other than normal budgeted expenses, which should be paid in full monthly.

The Executive Director will aggressively pursue receivables after a reasonable grace period.

### **3.2.5 Monitoring Financial Condition and Activities**

The Executive Director and the Treasurer shall prepare internal reports and provide them to the Board in advance of monthly meetings.

A review shall be performed annually by a CPA, and the resulting financial statement shall be delivered to the Board. If required by law (currently when revenue exceeds \$500,000), an annual AICPA audit shall be performed. The Finance Committee shall annually recommend the appointment of the auditor, evaluate the performance of the auditor, and present its recommendation and findings to the Board for review and approval.

The Board shall review Financial Policies every second year.

### **3.3 Financial Planning and Budgeting**

The Executive Director will prepare financial plans and annual operating and capital budgets that achieve approved goals and promote the mission and the long-term stability and sustainability of FPAC. The Executive Director will provide proposed capital and operating budgets to the Board before the November meeting of each year.

#### **3.3.1 Annual Operating Budget**

The Executive Director will prepare an annual operating budget:

1. In which expenses should not exceed the amount of funds that are conservatively expected to be received in that period. If the Executive Director anticipates that expenses will exceed expected income, an annual operating budget reflecting these conditions will be presented along with a list of recommendations that would restore a break-even result.
2. In which temporarily and permanently restricted assets will be segregated to ensure that FPAC complies with donor restrictions and requests
3. Which includes an operating reserve at no less than three months of operating expenses
4. In which spending on program activities is targeted at no less than 75% of total annual expenses based on industry acceptable allocations in a full-cost accounting system

A revised budget will be presented at the June Board meeting if needed, or at any time that the Finance Committee recommends a budget revision.

#### **3.3.2 Annual Capital Expenditure Budget**

The Executive Director will prepare an annual capital expenditure budget. Funds received for capital expenditures shall be spent only for that purpose.

The annual budget will be reviewed and revised at the June Board meeting to assure continued compliance with all Board financial policies.

### **3.3.3 Financial Planning**

The Executive Director together with the Board of Directors will prepare and maintain a long-term income projection.

### **3.4 Asset Protection**

The Executive Director will protect and adequately maintain all tangible and intangible assets of FPAC.

Accordingly, the Executive Director will:

1. Maintain theft and casualty insurance of at least 80% of replacement value; a minimum of \$2,000,000 liability insurance to cover Board, staff and the organization; and an adequate level of Professional Directors and Officers insurance coverage.
2. Assure that the Executive Director, the President, and the Treasurer are bonded.
3. Assure that facilities and equipment are adequately maintained and repaired.
4. Assure that the organization, its Board, and the staff are not unnecessarily exposed to claims of liability.
5. Approve purchases only in the instances that he or she is sure that:
  - a. Prudent protection has been exercised against conflict of interest.
  - b. Comparative prices and quality have been investigated for all purchases over \$500.
6. Assure that intellectual property, information and files are protected from loss or significant damage.
7. Invest or hold all funds only in secure instruments such as insured savings or checking accounts or CDs, in federally- or state-insured financial institutions.
8. The Executive Director will not acquire, encumber or dispose of real property without Board approval.

### **3.5 Grants and Contracts**

Grant funds must be used in prudent, lawful and ethical ways and in accordance with donor restrictions. In addition, the Executive Director shall:

1. Only enter into those grant arrangements in which FPAC has a reasonable expectation of delivering the promised activities and results.
2. Ensure that any subcontractors can also be reasonably expected to deliver promised activities and results and to use funds in prudent, lawful and ethical ways. All subcontracts must conform to grant requirements.
3. Not enter into grant or contract arrangements that place the financial solvency of FPAC at risk.

4. Assure that temporarily restricted and permanently restricted assets are appropriately segregated to ensure compliance with donor restrictions.
5. Seek approval by the Board of Directors for any grant request that alters the priorities set by the Board.

### **3.5.1 Monitoring Grants and Contracts**

The Executive Director will report monthly and annually to the Board on the status of grant applications, receipts and expenditures.

## **3.6 Reserve Fund**

Funds may be placed in or removed from the Board-designated Reserve Fund by majority vote of the Board. These funds need not be held in a separate account.

The Reserve Fund is intended for “rainy day” or for special expenses, such as moving to a new facility.

A portion of excess revenue over expenses in any one year may be transferred to the Reserve Fund. The annual Financial Statement should include the amount designated as Reserve Fund.

## **3.7 FPAC Cash Management Policies**

### **3.7.1 Executive Director**

1. Hires and supervises bookkeeper to manage day-to-day recording of accounting-related transactions.
2. Responsible for payment of bills, and assignment of expenses to proper budget accounts.
3. Can sign checks to vendors for all bills up to and including \$2,500.00, and a monthly check to any landlord required by a lease agreement between FPAC and that landlord.
4. Prepares annual operating budget for review with Treasurer and Finance Committee, and distributes draft to the Board of Directors for review at November Board meeting, approval at the December meeting.
5. Prepares annual budget for studio renovations and capital equipment purchases for review with Treasurer and Finance Committee, and distributes draft to the Board of Directors for review at November Board meeting, approval at the December meeting.
6. Ensures that operating and capital budgets are entered into the accounting software following Board of Directors approval.

7. Prepares year-to-date budget-to-actual statements for the monthly meetings of the Board of Directors.
8. Ensures that every transaction is entered into the accounting software, assigning appropriate amounts and descriptions to specific budget accounts including period covered where appropriate.
9. Ensures that all checks are written into check register with appropriate detail as to item, service and period covered where appropriate.
10. Has equipment received documents co-signed by another employee or a Board member and logged into the asset inventory.
11. Ensures that all payroll expenses are entered into the accounting software according to previously developed practices each pay period without delay.
12. Enters all asset acquisitions and losses or removals from service into the accounting software for Balance Sheet preparation and depreciation purposes.
13. Ensures monthly reconciliation of bank statements.
14. Ensures that cash is reconciled in the accounting software on a monthly basis by the 20<sup>th</sup> of the following month.
15. Is responsible for negotiating prices and auditing all bills and invoices to assure that they are correct.
16. Reports any budget line-item changes to the Treasurer before they are made and includes them in the next Executive Director's report to the Board at its next regularly scheduled meeting. It would be preferable to request these changes at a Board meeting before they need to be made.
17. Notifies the Treasurer of all credit secured in the name of the Corporation, other than transactions on the corporate credit card.
18. Writes "for deposit only" immediately upon receipt of all checks and deposits funds received into an appropriate bank account.
19. Holds corporate credit cards. May assign usage to other staff members. Assures that no corporate credit card is used for personal expenditures.
20. Approves and signs staff expense reports and associated reimbursement checks, other than the Executive Director's own.
21. Opens and closes all bank accounts, with approval from Treasurer and Board.
22. Keeps all current year receipts and supporting materials for audit/review purposes. Previous year's receipts are stored at the studio after the taxes and review or audit for the previous year are completed. Maintains these receipts and supporting materials in accordance with GAAP.

### **3.7.2 Treasurer**

1. Signs all checks greater than \$2,500.00 with checks over \$5,000.00 co-signed by President.
2. Reviews Executive Director's prepared operating and capital budget proposals, and revises them, as necessary, prior to submission to the Finance Committee and full Board.
3. Assures preparation of year-end budget-to-actual statements and their distribution to Board prior to the January monthly meeting.
4. Works with the Accounting firm including assisting with tax preparation and the annual Review of Financial Condition.
5. If an AICPA audit is required, signs audit engagement letter after Board approval.
6. Signs tax returns and final Review of Financial Condition forms.
7. Will review bank statements and expenditures as deemed necessary.
8. Approves and signs Executive Director's and President's expense reports and associated reimbursement checks.
9. Oversees Conflict of Interest policy and Board member responses to annual Conflict of Interest form.

### **3.7.3 President**

1. Can sign any check up to and including \$5,000.00.
2. Co-signs with Treasurer all checks over \$5,000.00.
3. Can represent the Corporation in the absence of the Treasurer on any business matter the Treasurer would normally handle provided the Treasurer is notified in advance.
4. Approves and signs Treasurer's expense reports and associated reimbursement checks.

## **3.8 Fundraising**

The Executive Director will operate any fundraising in a manner that is legal, ethical, and prudent, and embodies sound business practices. FPAC shall comply with all applicable local, state and federal laws regulating fundraising. The Executive Director will meet all IRS requirements on a timely basis. Fundraising practices should meet the following standards for ethical practices:

1. On request and in accordance with donor wishes, prospective donors will be provided with an annual report, financial statements (audited only if required by law) and/or Form 990. Those documents will include sufficient information to provide a basis for informed giving decisions.

2. Annual fundraising costs shall be reasonable. Solicitations, promotional and informational materials, distributed by any means, shall be accurate, truthful and not misleading, in whole or in part, and shall include a clear description of the programs and activities for which funds are being requested.
3. FPAC shall, to the best of its ability, ensure that general contributions are used in accordance with donors' wishes or FPAC's stated purposes. Restricted gifts will be used in accordance with donors' specific requirements.
4. Donor gift shall be acknowledged on a timely basis.
5. FPAC will establish and exercise adequate controls over fundraising activities conducted by Directors, staff, members, consultants, and contractors, including commitment to writing of all fundraising contracts and agreements.
6. FPAC will honor donor requests for confidentiality and will not publicize the identity of donors without prior permission.
7. Donor lists shall not be rented, sold or exchanged with other organizations without permission of the donor.
8. Fundraising practices should encourage voluntary giving and should not apply unwarranted pressure.
9. The Executive Director may conduct revenue-generating activities not directly related to the exempt purposes of FPAC. In order to protect FPAC's non-profit status, at no time may unrelated revenues or activities devoted to the production of these revenues become substantial.

### **3.9 Accounting Access**

The Executive Director shall be the Master Administrator of the accounting software. The bookkeeper shall have full access to the accounting software. The accountant shall be the Accountant user. The President and Treasurer shall have full user rights in the accounting software. Other Board members shall be Reports Only users.

### **3.10 Bank Account Access**

The President, the Treasurer and the Executive Director shall be signers for all bank accounts.

## **4 Precedence of the By-laws**

Where these policies conflict with the FPAC By-laws, the By-laws take precedence.

## **5 Amending the FPAC Board Policies**

Policies and procedures, by-laws, and the employee handbook should be reviewed and revised at least every two years. All existing policies remain in place until amended by the

Board of Directors by a simple majority vote. Proposed changes should be reviewed by the Governance Committee who may then make a recommendation to the Board prior to a vote. By-law changes require 14 days notice and a 2/3 vote.