

DREAM, Inc. Governance Process

GP Global – Governance Commitment

Approved 01/22/05

The purpose of the Board, on behalf of the families of the housing developments with which DREAM works, is to see that The DREAM Program:

- achieves appropriate results for appropriate persons at an appropriate cost,
- avoids unacceptable actions and situations, and
- continues to dream big dreams.

GP 1 – Governing Style

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The board will govern with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of board and chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather reactivity.

GP 1.1: Group Responsibility

The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body rather than to substitute individual judgments for the board's values. The board will allow no officer, individual, or committee of the board to hinder or be an excuse for not fulfilling board commitments.

GP 1.2 Policy Focus

The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives about ends to be achieved and means to be avoided. The board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.

GP 1.3: Discipline

The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.

GP 1.4: Self-Monitoring

The board will discuss the board's performance at the beginning of each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Executive Linkage categories.

a. Annual Review

An annual review of the board will be completed by all board members and submitted to the Board Chairperson. The review will occur every March, will be initiated by the Chairperson, and will cover the past year.

GP 2 – Board Job Description

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The job of the board is, to the best of their abilities, to represent the families of the housing developments and their mentors with which DREAM works in determining and demanding appropriate organizational performance.

GP 2.1: Link to Ownership

The board will produce the link between the organization and the ownership.

GP 2.2: Policy Production

The board will produce written governing policies that, at the broadest levels, address each category of organizational decision.

a. Ends

Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).

b. Executive Limitations

Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

c. Governance Process

Specification of how the board conceives, carries out, and monitors its own task.

d. Board-Executive Linkage

How power is delegated and its proper use monitored; the Executive Director's role, authority, and accountability.

GP 2.3: Assurance of Executive Performance

The board will produce assurance of Executive Director performance (against policies in 2.1 and 2.2).

GP 3 – Agenda Planning

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To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (1) completes re-exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

3.1: Cycle End Date

The cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statements of long-term Ends.

3.2: Agenda Development

The cycle will start with the board's development of its agenda for the next year

a. Consultation of Ownership

Consultations with selected groups in the ownership or other methods of gaining ownership input will be determined and arranged in the first quarter of the board cycle, to be held during the balance of the year.

b. Board Education

Governance education and education related to Ends determination will be arranged in the first quarter of the board cycle to be held during the balance of the year.

c. Consent Agenda Items

Throughout the year the board will attend to consent agenda items as expeditiously as possible.

d. Executive Monitoring

Executive Director monitoring will be included on the agenda if monitoring reports show policy violations or if policy criteria are to be debated.

e. Executive Remuneration

Executive Director remuneration will be decided after a review of monitoring reports received in the last year during the month of March.

GP 4 – Chairperson's Role

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The Chairperson assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

GP 4.1: Job Result

The job result of the Chairperson is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

a. Meeting Content

Meeting discussion content will be only those issues which, according to board policy, clearly belong to the board to decide, not the Executive Director.

b. Deliberation

Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.

GP 4.2: Chairperson Authority

The authority of the chairperson consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Executive Linkage, except where the board specifically delegates portions of this authority to others. The chairperson is authorized to use any reasonable interpretation of the provisions in these policies.

GP 4.3: Board Meetings

The Chairperson is empowered to chair board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing).

GP 4.4: Decision-Making Authority

The Chairperson has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the Chairperson has no authority to supervise or direct the Executive Director, rather it is a responsibility of the full Board. Above all, the Board sets policy to the point where the Board feels comfortable not directly supervising the Executive Director.

GP 4.5: Board Representation

The Chairperson may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.

GP 4.6: Representation Delegation

The chairperson may delegate this authority but remains accountable for its use.

GP 5 – Board Members’ Code of Conduct

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

GP 5.1: Loyalty to Ownership

Members must represent non-conflicted loyalty to the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any board member acting as a consumer of the organization’s services.

GP 5.2: Conflict of Interest

Members must avoid conflict of interest with respect to their fiduciary responsibility.

a.Vermont Statute

All board members must be familiar with Chapter 8.31 (Directors and Officers Conflict of Interest) under Title 11B (Nonprofit Corporations) of Vermont's Statutes.

b. Financial

Board members must disclose all business, personal and family relationships at a full board meeting when the nonprofit is considering contracting with those parties, whether on a volunteer or fee basis. A board member in such a situation must remove him or herself from the final discussion prior to board and staff members making a final decision.

c. Compensation

Board members receive no compensation for their services. With prior approval of the executive director and treasurer, board members may request and budgeted reimbursements for materials used on behalf of the organization.

d. Gifts and Gratuities

Board members may accept personal gifts of token value (less than \$50). Monetary gratuities and all gratuities of greater than \$50 value directed at Board and staff members become the property of The DREAM Program, Inc.

e. Nepotism

The DREAM Program, Inc. will only hire persons related to board members if a competitive bid is reviewed and an interview is conducted by a disinterested party.

f. Political Activities

Board members may not use The DREAM Program, Inc.'s name, property or facilities in connection with any political activity. The nonprofit may engage in insubstantial lobbying activities (within its tax exemption status) in an attempt to influence legislation, but may not intervene directly or indirectly in any political campaign on behalf of or in opposition to any candidate for public office. Board members can, of course, engage in political activity within their individual capacity, but must scrupulously distinguish between their personal conduct and activity on behalf of the nonprofit.

g. Public Comment

Each board member has an obligation to help donors, contributors, members, the media and the general public to see The DREAM Program, Inc. in the best possible light. Public comment, whether to a group or an individual, must be supportive of the nonprofit's initiatives, activities and personnel. Disagreements are to be aired in confidence, at the board meetings.

h. Meeting Attendance

A board member who is not able to attend a meeting at which he or she has reason to believe that the board will act on a matter in which the person has a conflict of

interest shall disclose to the Chairperson all facts material to the conflict of interest. The Chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

i. Voting

A person who has a conflict of interest shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a board member has a conflict of interest when he or she stands for election as an officer or for re-election as a member of the board of directors.

j. Confusion

In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to the Chairperson or the Chairperson's designee, who shall determine whether there exists a conflict of interest that is subject to this policy.

k. Violations

Any board member violating a standard of conduct may be asked to step down from the board. Violations are to be brought to the attention of the executive committee or to the remainder of the Board. If meriting serious action, the executive committee shall discuss these violations in person with the board member. The executive committee may ask a board member to resign in the best interests of the organization. If the board member wishes to further explore the issue, they and the executive committee may jointly appoint a 3-person fact finding committee to review the issues and make a recommendation. The board member and executive committee should jointly agree on the statement concerning their resignation to be made to other board members, staff, donors, etc.

GP 5.3: Review of Policy

Each new board member shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so. Each board member shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the board member is involved that he or she believes could contribute to a conflict of interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a housing authority, or ownership of a business that might provide goods or services to The DREAM Program, Inc. Any such information regarding business interests of a board member shall be treated as confidential and shall generally be made available only to the Chairperson, the Executive Director, and any committee appointed to address conflicts of interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy. This policy shall be reviewed annually, as stated in the Bylaws, by each member of the Board of Directors.

Any changes to the policy shall be communicated immediately to all Responsible Persons.

GP 5.4: Individual Authority

Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.

a. Interaction with Staff

Members' interaction with the Executive Director or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.

b. Interaction with Public

Members' interactions with public, press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.

c. Individual Judgments

Members will give no consequences or voice to individual judgments of Executive Director or staff performance.

d. Confidentiality

Members will respect the confidentiality appropriate to issues of a sensitive nature.

GP 5.5: Board Committee Principles

Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to Executive Director.

a. Role of Committees

Board committees are to help the board do its job, never to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have dealings with current staff operations.

b. Committee Authority

Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Executive Director.

c. Committee Authority Over Staff

Board committees cannot exercise authority over staff. Because the Executive Director works for the full board, she or he will not be required to obtain approval of a board committee before an executive action.

d. Committee Identification

Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same topic.

e. Use of Committees

Committees will be used sparingly and ordinarily in an ad-hoc capacity.

f. Definition of Board Committees

This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees acting under the authority of the Executive Director.

GP 5.6: Cost of Governance

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

a. Excellence in Governance

Board skills, methods, and supports will be sufficient to assure governing with excellence.

i. Training

Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.

ii. Outside Monitoring

Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes but is not limited to fiscal audit.

iii. Outreach to Ownership: Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.

b. Allowable Costs

Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability, and will be reviewed at the annual meeting including costs for training, consisting of attendance at conferences and workshops.

i. Cost of Training

Intended for training, including attendance at conferences and workshops.

ii. Cost of Outside Monitoring

Intended for audit and other third-party monitoring of organizational performance.

iii. Cost of Evaluation and Meetings

Intended for surveys, focus groups, opinion analyses, and meeting costs.