



Policy of the Board

Board-Management Delegation

Global Board-Management Delegation

1. Unity of Control
2. Accountability of the Executive Director
3. Delegation to the Executive Director
4. Monitoring Executive Director Performance
5. Executive Director Professional Development
6. Executive Director Compensation

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Global Board-Management Delegation

The Board-Management Delegation policies describe the interactions and relationship between the Board of Directors and the Diversity Council staff. They are guided by the following governance principles:

- The Board is a collective and has authority only as a group.
- The Board is responsible for governance; its focus is on strategic issues and policy development, not routine matters or office and program management.
- The Executive Director is the only official link between the Board and the operations of the organization.
- The Board defines the organization's values, mission and desired results; it monitors the Executive Director's performance in regard to those results.
- The Board defines the acceptable boundaries of prudence and ethics for the conduct of the organization and monitors the Executive Director's adherence to those boundaries.

Global Board-Management Delegation Policy: The Board's sole official connection to the operational organization, both its achievements and conduct, will be through a chief executive officer, titled Executive Director.

Board Secretary

Date Approved

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Unity of Control

1. Only decisions of the Board acting as a body are binding on the Executive Director. These decisions will be expressed in the form of an officially passed motion. Accordingly:
 - 1.1 Decisions or instructions of individual board members, officers, or committees are not binding on the Executive Director, except in instances when the Board has specifically authorized such exercise of authority.
 - 1.2 If a Board member or committee requests information or assistance without Board authorization, the Executive Director can refuse such requests that require, in the Executive Director's opinion, a material amount of staff time or funds, or are disruptive.

Board Secretary

Date Approved

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Accountability of the Executive Director

2. The Executive Director is the Board's only link to the conduct and achievement of the Diversity Council staff, so all authority and accountability of the staff, as far as the Board is concerned, is considered the authority and accountability of the Executive Director.
 - 2.1 The Board will view the performance of the Executive Director as identical to organizational performance. Consequently, organizational accomplishment of the Board-stated *Ends* and avoidance of Board-proscribed means (*Executive Limitations*) will be viewed as successful performance by the Executive Director.
 - 2.2 The Board will not evaluate any staff other than the Executive Director.
 - 2.3 The Board will never give instructions to staff members other than the Executive Director or the Executive Director designee.

Board Secretary

Date Approved

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Delegation to the Executive Director

3. The Board will instruct the Executive Director through written policies that prescribe the organizational *Ends* to be achieved and describe organizational situations and actions to be avoided (*Executive Limitations*), allowing the Executive Director to use any reasonable interpretation of these policies. Accordingly:
 - 3.1 The Board will develop policies instructing the Executive Director to achieve certain results, for certain recipients, at an appropriate worth benefit. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called *Ends* policies.
 - 3.2 The Board will develop policies that limit the latitude the Executive Director may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called *Executive Limitations*.
 - 3.3 The Executive Director will submit a reasonable interpretation, based on a specific rationale, of each *End* and *Executive Limitation* policy for Board approval. As long as the Executive Director uses the Board-approved interpretations, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities.
 - 3.4 The Board may change its *Ends* and *Executive Limitations* policies, thereby shifting the boundaries of what is expected or allowed. By doing so, the Board expands or decreases the latitude of choice given to the Executive Director. As long as any particular delegation is in place, however, the Board will respect and support the Executive Director's choices.

Board Secretary

Date Approved

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Monitoring Executive Director Performance

4. The Executive Director's job performance will be monitored solely against the expected job outputs, which are organizational accomplishment of Board policies on *Ends* and organization operation within the boundaries established in the Board policies on *Executive Limitations*. Accordingly:
 - 4.1 Monitoring simply determines the degree to which Board policies are being met. Information that does not address the achievement of *Ends* or the avoidance of *Executive Limitations* is not monitoring data.
 - 4.2 The Board will acquire monitoring data by one or more of three methods:
 - A. Internal report, by which the Executive Director discloses compliance information to the Board. . (See addendum for procedure.)
 - B. External report, by which an external, disinterested third party selected by the Board assesses compliance with Board policies.
 - C. Direct Board inspection, by which a designated member or members of the Board assess compliance.
 - 4.3 The standard for compliance shall be any reasonable interpretation by the Executive Director of the Board policy being monitored. The Board will judge whether data demonstrate accomplishment of the interpretation.
 - 4.4 All policies that instruct the Executive Director will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule. The schedule and method of monitoring will be listed with each *Ends* and *Executive Limitations* policy. The monitoring reports will include the policy, a statement of compliance or non-compliance, and supporting evidence for the statement.

Board Secretary

Date Approved

Addendum to Policy #4

Ends Report Review Process

The following process describes the frequency and method of monitoring the Diversity Council Ends Policies as required by Board-Management Delegation Policy #4.

1. All *Ends* policies will be monitored annually, using the Board-approved interpretation and rationale. If conditions change, the Executive Director may request approval for a change in the interpretation with corresponding rationale.
2. The method of *Ends* policy monitoring will be as follows:
 - A. The Executive Director will present the data that supports the achievement of the Ends policies annually at the Board meeting.
 - B. The Board will vote 'yes, no or partial' to each data set corresponding to an interpretation.
 - C. The Board secretary will compile, store and maintain a log of decisions.
 - D. The Board will determine whether it needs to further define the Ends policies in order to constrain the interpretation and choices of the Executive Director.

Board Secretary

Date Approved

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Executive Director Professional Development

5. The Executive Director’s continuing professional development is critical to organizational success. Accordingly:
 - 5.1 The Executive Director will allocate from the organizational budget a reasonable amount of funds to be set aside for professional development expenses should they be necessary.
 - 5.2 The Executive Director will define his or her professional and personal skills needs with input from colleagues, employees and trusted advisors as required. Professional and personal skills will include but not be limited to subject matter expertise, internal organizational leadership, external community leadership and organizational competence.
 - 5.3 The Executive Director will be responsible to fill any skills gaps through professional development opportunities, self-learning, mentoring and other venues for skill enhancement.

Board Secretary

Date Approved

POLICY TYPE: Board-Management Delegation
POLICY TITLE: Executive Director Compensation

6. The Executive Director compensation shall be as follows:
 - 6.1 Salary: Competitive base rate will be set based on guidance from the Minnesota Council of Nonprofit Salary and benefit survey and will be set in the range defined by the “annual operating budget” category.
 - 6.2 Increase Process: If the Executive Director meets the requirements of the ends policies and executive limitations, he/she may be eligible for a salary increase. Annual increases will take place once per year as defined by the annual board calendar.
 - 6.3 Time off and Sick Days: Vacation, holiday and sick day allocations will be the same as those documented in the Diversity Council’s personnel policies.
 - 6.4 Medical: Medical benefits will be the same as those documented in the Diversity Council’s personnel policies.
 - 6.5 Retirement: The Executive Director may participate in the Diversity Council’s SEP-IRA retirement plan.

Board Secretary

Date Approved