

# NATIONAL HEMOPHILIA FOUNDATION BOARD OF DIRECTORS

## GOVERNING POLICIES MANUAL

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# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

POLICY TYPE: ENDS

POLICY 1.0

POLICY TITLE: *ENDS POLICIES*

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## 1.0 Global Ends Statement

*The National Hemophilia Foundation exists for  
Cures for Coagulation Disorders and so  
Those Currently Affected Lead Longer, Healthier Lives*

### 1.1 A Cure is available for Coagulation Disorders

- A. *Restoration of good health by restoring one's ability to maintain hemostasis without significant, ongoing medical intervention.*
- B. Until a cure is available, there is continuous improvement in the quality of life both physically and mentally for all those afflicted with bleeding/coagulation disorders.
- C. There is international cooperation and collaboration of Researchers of Novel Treatments & Therapies for Coagulation Disorders.
- D. Improve or develop relationships with Federal and State Agencies to expand their understanding of the Coagulation Disorders communities issues and concerns.

### 1.2 All People with Coagulation Disorders Have Access to Quality Health Care and Treatment

- A. There are established standards of care for people with coagulation disorders.
  - a. There are Factor Provider Standards of Service.
- B. There is expansion and maintenance of clinical expertise for coagulation disorders.
- C. Elimination of payer issues.
- D. Elimination of lifetime caps on insurance.
- E. There are no pre-existing conditions for health insurance.
- F. There is choice of physicians.
- G. There is substantial reduction in the cost of factor for consumers.
- H. There is viable and sustainable funding for the network of HTC's.

### 1.3 Build a cohesive national network of chapters providing similar levels of programs and services.

### 1.4 There are Safe, Accessible, Efficient Treatment Therapies.

- A. Blood Supply and products are safe.
  - i. In the event of an adverse event in the blood supply, the highest priority is to disseminate of information to the ownership and stakeholders.
- B. Findings from research become clinically applicable to bleeding and coagulation disorder treatment and prevention.

### 1.5 People will have Knowledge of Coagulation Disorders.

- A. People with coagulation disorders have knowledge and understanding of their medical condition and available resources.
  - i. People know how to prevent coagulation episodes and complications.
  - ii. There is behavioral change to maintain healthy condition.

## **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

- iii. There is a solid transition from pediatric to adult self-care.
- B. General public has knowledge of coagulation disorders.
- C. Staff/Volunteers have knowledge of coagulation disorders.
- D. National Youth Leadership Institute is trained in Governance.

*Date of Adoption/Last Revision: March 8, 2008.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

**POLICY TYPE: MANAGEMENT LIMITATIONS**

**POLICY 2.0**

**POLICY TITLE: *GENERAL EXECUTIVE CONSTRAINT***

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

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.1

### POLICY TITLE: *TREATMENT OF MEMBERS/CONSTITUENTS*

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With respect to interactions with constituents, the CEO shall not cause or allow interactions or procedures that are unfair, unsafe, untimely, undignified or unnecessarily intrusive.

Accordingly, he/she shall not:

1. Elicit constituent information for which there is no clear necessity.
2. Sell or share with outside parties information identifying, or otherwise violating the privacy of, individuals who contact NHF or visit its websites.
3. Collect, review, transmit, store or destroy constituent information in a manner that fails to protect against loss of or improper access to that information.
4. Fail to communicate to constituents utilizing or participating in NHF programs or services a clear understanding of what may be expected from the services offered.
5. Fail to have an effective communications strategy with Chapters.
6. Fail to inform constituents, as appropriate, of this policy, and to provide a system for submission of and response to constituent complaints.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.2

### POLICY TITLE: *TREATMENT OF STAFF*

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

Accordingly, pertaining to employees, he/she shall not:

1. Operate without a written personnel manual, approved by legal counsel, which clarifies personnel rules for employees, provides for effective handling of grievances and protects against wrongful conditions.
2. Retaliate against an employee for non-disruptive, internal expression of dissent.
3. Prevent staff from grieving to the Board when (1) internal grievance procedures have been exhausted *and* (2) the employee alleges that Board policy has been violated.
4. Fail to acquaint staff with these governing policies, with particular emphasis on this policy, and the CEO's interpretations of their protections under it.
5. Allow staff to be unprepared to deal with emergency situations.

*Date of Adoption/Last Revision: March 8, 2008.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.3

### POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

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

Accordingly, the CEO shall 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 CEO may not borrow funds (with exception of credit cards used for normal business purposes).
  - B. The CEO may not allow unrestricted cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 120-day period.
  - C. Borrow from operating reserves (defined as accumulated, non-designated excess revenues) in an amount greater than can be replenished by certain, otherwise unencumbered revenues within 90 days.
2. Use Board-designated long-term reserves/endowment funds.
3. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 90 days.
4. Fail to settle payroll obligations and payables in a timely manner.
5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
6. Execute a check or purchase commitment of greater than \$50,000, 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. Acquire, encumber, lease or dispose of real property.
8. Accept revenues from sources that are not, in fact and appearance, legal and consistent with NHF's mission and values.
9. Fail to aggressively pursue material receivables after a reasonable grace period.
10. Fail to exercise adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.4

### POLICY TITLE: *ASSET PROTECTION*

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The CEO shall not allow NHF's assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, he or she shall not:

1. Fail to insure:
  - A. against theft and casualty losses to at least replacement value; and
  - 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. Fail to employ risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.
4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.
5. Allow a purchase of \$5,000 or more without having obtained comparative prices and quality. Splitting orders to avoid this requirement is not allowed.
6. Fail to maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.
7. Fail to protect intellectual property, information and files from loss, improper access or significant damage.
8. Receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor's standards (as set forth in Management Letter and/or other correspondence).
9. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisers.
10. Invest or hold operating capital in insecure instruments or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
11. Endanger the organization's public image, its credibility, or its ability to accomplish Ends.
12. Change the organization's name or substantially alter its identity.

## **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

13. With respect to NHF's investment portfolio, the CEO may not fail to establish and ensure compliance to an "investment policy" as recommended by a skilled investment advisor experienced in management of reserve and/or endowment funds for nonprofit agencies

*Date of Adoption/Last Revision: January 25, 2006.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.5

### POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

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Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Accordingly, the CEO shall not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the "Financial Conditions and Activities" Board policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow projections, and disclosure of planning assumptions.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.
4. Fails to allocate at least three percent of gross cash revenues to reserves, until reserves reach a threshold of \_\_\_\_\_ (TBD).
5. Provides less for Board activities during the year than is set forth in the Governance Investment policy (*see policy 4.9 in Governance Process*).

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.6

### POLICY TITLE: *COMPENSATION AND BENEFITS*

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The CEO 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.

Accordingly, he or she shall not:

1. Change his or her own compensation.
2. Change his or her own benefits, except as are consistent with a package for all other employees.
3. Promise or imply anything other than "at-will" employment.
4. Establish current compensation and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
5. Pertaining to consultants and contract vendors, create obligations over a longer term than revenues can be safely projected, in no event longer than one year with the exception of the those vendors, consultants and contractors associated with the planning, preparation and performance of the NHF annual meeting. Such contracts for the annual meeting cannot be more for more than four years in the future.
6. Establish or change retirement benefits so as to cause unpredictable or inequitable situations.

*Date of Adoption/Last Revision: January 7, 2007.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.7

POLICY TITLE: *EMERGENCY EXECUTIVE SUCCESSION*

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In order to protect the Board from sudden loss of CEO services, the CEO shall not fail to ensure that at least two (2) other members of the management team are sufficiently familiar with Board and CEO issues and processes to take over with reasonable proficiency as an interim successor.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.8

### POLICY TITLE: *BOARD AWARENESS & SUPPORT*

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

Accordingly, the CEO shall not:

1. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
2. Neglect to submit monitoring data required by the Board (see policy on Monitoring CEO Performance in *Board-Management Delegation*) in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
3. Let the Board be unaware of significant incidental information, such as anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal changes. Notification of planned internal changes is to be provided in advance, when feasible.
4. Fail to advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the work relationship between the Board and the CEO.
5. Neglect to submit objective decision information required periodically by the Board or let the Board be unaware of relevant trends.
6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types:
  - A. monitoring
  - B. decision preparation (or "action item"); and
  - C. incidental/"FYI."
7. Fail to provide support for official Board, officer or committee communications and functions.
8. Fail, when addressing official Board business, to deal with the Board as a whole except when:
  - A. fulfilling individual requests for information, or
  - B. responding to officers, committees or individuals duly charged by the Board.
9. Fail to supply for the Board's consent agenda, along with applicable monitoring information, all decisions delegated to the CEO yet required by law, regulation or contract to be Board-approved.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.9

### POLICY TITLE: *CORPORATE RELATIONSHIPS*

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With respect to the development of revenue through, and strategic alliances with, corporate sponsors, the CEO may not fail to ensure that such relationships do not jeopardize the values or public image of NHF.

Accordingly:

1. The CEO may not fail to have in place policies and procedures outlining the sponsorship opportunities available, the recognition provided for respective levels of investment,
2. The policies in place must not fail to address:
  - A. NHF's sole discretion for the content, quality, scientific and educational integrity of all sponsored programs.
  - B. That sponsorship does not imply endorsement by NHF of any specific companies, products or services.
  - C. Policies regarding sponsorship of NHF's websites, which must provide that the home page of hemophilia.org, NHF Youthworld.org or other areas that specifically target minors are specifically excluded and may not be sponsored or have advertising.
  - D. That contracts will be executed for each sponsorship, specifically outlining the mutual considerations to be provided, and which articulate the provisions and protections appropriate to protection of NHF's interests, including but not limited to ensuring the privacy of NHF constituents, indemnification for NHF from claims that may be incurred by reason of the sponsorship, etc.

# **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

*Date of Adoption/Last Revision: March 29, 2005.*

## **POLICY TYPE: MANAGEMENT LIMITATIONS**

### **POLICY 2.10**

### **POLICY TITLE: *GRANTS PROCESS***

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The CEO may not enter into any grant arrangements that fail to emphasize, primarily, the achievement of Ends and, secondarily, the avoidance of unacceptable means.

Accordingly, the CEO shall not:

1. Fail to utilize the expertise of a panel of objective experts when considering the granting of research or other grants.
2. Fail to assess and consider a potential grantee's capability to produce appropriately targeted, efficient results.
3. Fail to preclude grant funds from being used in imprudent, unlawful or unethical ways.

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

*Date of Adoption/Last Revision: March 29, 2005.*

## POLICY TYPE: MANAGEMENT LIMITATIONS

### POLICY 2.11

### POLICY TITLE: *CHAPTER RELATIONS/STRUCTURE (TEMPORARY POLICY)*

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With respect to NHF's relationships with affiliated chapters, the CEO shall not fail to establish and maintain a cohesive national organizational structure with affiliated chapters that ensures appropriate alignment between the NHF and its chapters.

Accordingly,

1. The structure shall not fail to include standardized contractual or merged relationships between NHF and the Boards of Directors of affiliated chapters, delineating mutual expectations and responsibilities.

Such charter agreements shall not fail to address:

- A. Alignment with the mission/Ends of NHF
  - B. Protection of NHF from assumption of financial liability for the activities of contractually affiliated chapters
  - C. Use of NHF's name, logo and brand
  - D. Specification of national organization's responsibility to affiliated chapters.
2. The CEO shall not implement a structure that
    - A. jeopardizes the fiscal integrity or
    - B. public image of the NHF and the chapters.
  3. The structure shall not fail to clearly articulate the criteria for chapter status in a charter agreement.

# **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

*Date of Adoption/Last Revision: March 8, 2008.*

**POLICY TYPE: BOARD-MANAGEMENT DELEGATION**

**POLICY 3.0**

**POLICY TITLE: *GOVERNANCE - MANAGEMENT CONNECTION***

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The Board's sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer (CEO).

# **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

*Date of Adoption/Last Revision: March 29, 2005.*

## **POLICY TYPE: BOARD-MANAGEMENT DELEGATION**

### **POLICY 3.1**

### **POLICY TITLE: *UNITY OF CONTROL***

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Only officially passed motions of the Board are binding on the CEO.

Accordingly:

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except when the Board has specifically delegated this authority.
2. If Board members or committees request information or assistance without Board authorization, the CEO can refuse such requests that require, in his/her opinion, an inappropriate amount of staff time or funds or are disruptive.

# **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

*Date of Adoption/Last Revision: March 29, 2005.*

## **POLICY TYPE: BOARD-MANAGEMENT DELEGATION**

### **POLICY 3.2**

### **POLICY TITLE: *ACCOUNTABILITY OF THE CEO***

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The CEO is the only link to 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 CEO.

Accordingly:

1. The Board will not give instructions to persons who report directly or indirectly to the CEO.
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and compliance with Management Limitations will be deemed successful CEO performance.

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

*Date of Adoption/Last Revision: March 29, 2005.*

## POLICY TYPE: BOARD-MANAGEMENT DELEGATION

### POLICY 3.3.

### POLICY TITLE: *DELEGATION TO THE CEO*

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The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The Board will develop and maintain *Ends* policies instructing the CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends issues as defined here are Means issues.
2. The Board will develop and maintain *Management Limitations* policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels. The Board will not prescribe organizational means delegated to the CEO.
3. As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Management Limitations policies, the CEO is authorized to make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
4. The Board may change its Ends and Management Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support decisions made by the CEO that are compliant with board policy.

updated June 3, 2006

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

*Date of Adoption/Last Revision: June , 2007.*

## **POLICY TYPE: BOARD-MANAGEMENT DELEGATION**

### **POLICY 3.4**

### **POLICY TITLE: *MONITORING CEO PERFORMANCE***

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

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not address policy compliance will not be considered in the evaluation of CEO performance.
2. The Board will acquire monitoring data by one or more of three methods:
  - A. by internal report, in which the CEO discloses, in writing, policy interpretations and compliance information to the Board
  - B. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies
  - C. by direct inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
3. In every case, the Board will judge whether (a) the CEO's interpretation is reasonable, and (b) whether data demonstrate accomplishment of or compliance with the CEO's interpretation.
4. In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the Board policy being monitored. The Board is the final judge of reasonableness and will always judge with a "reasonable person" test (what a reasonably prudent person would do in that context). Interpretations favored by individual board members or by the Board as a whole shall not constitute a "reasonable person" test.
5. Actions determined to be not compliant with a reasonable interpretation of Board policies will be subject to a remedial process agreed to by the Board.
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule.

## **POLICY TYPE: BOARD-MANAGEMENT DELEGATION**

### **POLICY 3.4 (CONTINUED)** ***PROPOSED SCHEDULE***

### **POLICY TITLE: *MONITORING CEO PERFORMANCE –***

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## GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

<i>Policy</i>	<i>Method</i>	<i>Frequency</i>	<i>Schedule</i>
2.0 <i>General Executive Constraint</i>	<i>Internal</i>	<i>Annually</i>	<i>May/June – board packet</i>
2.1 <i>Treatment of Constituents</i>	<i>Internal</i>	<i>Annually</i>	<i>December</i>
2.2 <i>Treatment of Staff</i>	<i>Internal</i>	<i>Annually</i>	<i>December</i>
2.3 <i>Financial Condition &amp; Activities</i>	<i>Internal</i>	<i>Quarterly</i>	<i>Dec/Feb/May/Sept-Oct. board</i>
	<i>External</i>	<i>Annually</i>	<i>By October</i>
2.4 <i>Asset Protection</i>	<i>Internal</i>	<i>Annually</i>	<i>December</i>
2.5 <i>Financial Planning/Budgeting</i>	<i>Internal</i>	<i>Semi-Ann.</i>	<i>May/Dec</i>
2.6 <i>Compensation and Benefits</i>	<i>Internal</i>	<i>Annually</i>	<i>May</i>
2.7 <i>Emergency CEO Succession</i>	<i>Internal</i>	<i>Annually</i>	<i>June</i>
2.8 <i>Board Awareness &amp; Support</i>	<i>Internal</i>	<i>Annually</i>	<i>December</i>
2.9 <i>Corporate Relations</i>	<i>Internal</i>	<i>Annually</i>	<i>May – board packet</i>
2.10 <i>Grants Process</i>	<i>Internal</i>	<i>Annually</i>	<i>May</i>
2.11 <i>Chapter Relations</i>	<i>Internal</i>	<i>Semi-Ann.</i>	<i>May/Oct</i>
1.X <i>Global Ends and priority, component</i>	<i>Internal</i>	<i>Annually</i>	<i>February</i>

*Date of Adoption/Last Revision: March 8, 2008.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 4.0**

**POLICY TITLE: *GOVERNANCE COMMITMENT***

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The purpose of the Board of Directors (“the Board”), on behalf of people affected by coagulation disorders (“the ownership”), is to ensure that the National Hemophilia Foundation (“NHF”) (1) achieves appropriate results for appropriate recipients at an appropriate cost (as specified in Board Ends policies), *and* (2) avoids unacceptable actions and situations.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.1

### POLICY TITLE: *GOVERNING STYLE & VALUES*

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The Board will govern lawfully, observing Policy Governance principles, with an emphasis on (a) integrity and truthfulness in all methods and practices; (b) outward vision rather than internal preoccupation, (c) encouragement of diversity in viewpoints, (d) strategic leadership rather than administrative detail, (e) clear distinction of Board and chief executive roles, (f) collective rather than individual decisions, (g) future rather than past or present, and (h) governing proactively rather than reactively.

Accordingly:

1. 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 primary initiator of governing policy. Although the expertise of individual members may enhance the understanding of the Board as a body, the Board will not substitute such expertise for the judgment of the Board.
2. The Board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major focus will be on the intended long-term impacts outside the NHF organization, not on the administrative or programmatic means of attaining those effects.
3. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles and ensuring the continual development of governance capability. Although the Board can change its governing policies at any time, it will conscientiously observe those currently in force.
4. All policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.
5. The Board will orient new Board members in the Board's governance process and these policies.
6. The Board will allow no officer, individual or committee of the Board to prevent the Board from fulfilling its commitments.
7. The Board will monitor and discuss its process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to Governance Process and Board-Management Delegation policies.
8. The Board and NHF's activities, with the exception of personnel or other matters of a sensitive nature, shall be open and accessible to reasonable scrutiny by its "owners."
9. The organization, in its hiring and other activities, will not discriminate on the basis of race, creed, national origin, religion, age, handicap, political affiliation, gender, sexual orientation, or marital, parental or military status.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.2

### POLICY TITLE: *BOARD JOB PRODUCTS*

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On behalf of the “ownership” it represents, the Board of Directors assumes direct responsibility for the following:

1. The Board will be the conduit linking the ownership and NHF’s operational organization.
  - A. Needs Assessment: The Board will assess the needs of the ownership as they relate to the organization’s activities and scope of influence, and will develop Ends policies identifying the outcomes the organization will produce to address those needs.
  - B. Accountability: The Board will inform the ownership of the organization’s expected future results, and its present accomplishments.
2. The Board will develop and maintain written governing policies that realistically address the broadest levels of all organizational decisions and situations.
  - A. ENDS: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - B. MANAGEMENT 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/MANAGEMENT DELEGATION: How power is delegated to management and its proper use monitored: the CEO role, authority and accountability.
3. The Board will assure successful organizational performance on Ends and Management Limitations.
4. The Board will have final approval of all official Documents of the Medical and Scientific Advisory Council (MASAC).
5. The Board will approve all revisions to the Chapter Structure or Dues.

(ANNUAL TARGETS ABOUT INTEGRITY OR COMPLETENESS IN THESE AREAS SHOULD BE ARTICULATED EITHER BY EXPANDING THIS POLICY OR ESTABLISHING A SEPARATE POLICY TITLED, FOR EXAMPLE “ANNUAL GOVERNANCE PLAN.”)

Date of Adoption/Last Revision: March 29, 2005.

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.3

### POLICY TITLE: *AGENDA PLANNING*

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The Board will prepare and follow an annual agenda plan that includes (1) a complete reexploration of Ends policies annually and (2) continuous improvement in Board performance through Board education, enriched input and deliberation.

Accordingly:

1. The Board's annual planning cycle will conclude each year on the last day of March (*three months prior to end of fiscal year*), so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.
2. The cycle will start in April with the Board's development of its agenda for the next year.
  - A. The Board will identify its priorities for Ends and other issues to be resolved in the coming year, and will identify information gathering necessary to fulfill its role. This may include consultations with selected groups in the ownership, other methods of gaining ownership input, governance education, and other education related to Ends issues, (e.g., presentations by futurists, advocacy groups, demographers, other providers, staff, etc.).
  - B. The Chair will, at the commencement of the Board's annual planning cycle, prepare for the Board's consideration a tentative agenda plan for the following year's meetings.
3. The Chair will determine the agenda for any particular meeting, although Board members may request or recommend any appropriate matters for Board consideration.
  - A. A Board member may recommend or request a matter for Board discussion by submitting the item to the Chair at least four weeks prior to the scheduled Board meeting.
  - B. The meeting agenda and packet are to be received by Board members at least two weeks prior to the scheduled Board meeting.
  - C. By an affirmative vote of a majority of those present at a meeting, additional matters may be added to the agenda of any Board meeting.
4. The Board will attend to consent agenda items (those items delegated to the CEO yet required by law or contract to be Board-approved) as expeditiously as possible.
5. Other than Board review/approval of monitoring reports, monitoring and evaluation of CEO activities and performance will be included on the agenda only if monitoring reports or other data indicate policy violations, if policy criteria are to be debated or if the Board, for any reason, chooses to amend its monitoring schedule.
6. CEO remuneration will be decided during the month of March (to be effective July 1<sup>st</sup>) after a review of monitoring reports received during the last year.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.4

### POLICY TITLE: *BOARD CHAIR'S ROLE*

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The Board Chair, acting as the chief governance officer of NHF, ensures the integrity of the Board's process and, secondarily, represents the Board to outside parties.

Accordingly:

1. The assigned result of the Chair's job is that the Board behaves consistently with its policies and those legitimately imposed upon it from outside the organization.
  - A. Meeting discussion content will include only those issues that clearly (according to Board policy) belong to the Board to decide or to monitor.
  - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The Chair is authorized to make decisions consistent with the Board's Governance Process and Board/Management Delegation policies, with the exception of (a) employment/termination of the CEO, or (b) instances where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of these policies.
  - A. The Chair is empowered to preside at Board meetings with all of the commonly accepted power of that position, such as ruling and recognizing.
  - B. The Chair has no authority to make decisions about policies created by the Board within Ends and Management Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the CEO.
  - C. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to her or him. The Chair may delegate this authority but remains accountable for its use.
  - D. The Chair may appoint Board members to serve on Board Committees, unless specified otherwise in Bylaws or Board policies.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.5

### POLICY TITLE: *BOARD MEMBERS' CODE OF CONDUCT*

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

Accordingly:

1. Board members must demonstrate loyalty to the interests of the ownership, unconflicted by loyalties to staff, other organizations, or any personal interests as consumers of the Foundation's services.
2. Board members are accountable for discharging 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 comparable circumstances.
3. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
  - A. There must be no self-dealing or any conduct of private business or personal services between any Board member **or member of his or her immediate family** and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
    - i. NHF considers conflicted transactions to include, but not be limited to significant equity ownership – more than 10% of the equity in a company or concern, or more than 5% of the net worth of the individual **and his or her immediate family**, and/or activity which involves obligations to private or public entities that may compete with or be in conflict with the interests of NHF.
  - B. When the Board is to decide upon an issue about which a member has an actual or apparent conflict of interest, that member shall immediately disclose the conflict to the Board and absent herself or himself without comment from not only the vote but also from the deliberation. The minutes of meetings will reflect any disclosures of conflicts of interest.
  - 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.
  - D. Board members will annually disclose, in writing, any positions or associations that may be, or reasonably be seen as, a conflict of interest.
4. Board members must not attempt to exercise individual authority over the organization.
  - A. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.
  - B. Board members' interaction with public, media or other entities must recognize this limitation and that Board members are not to speak for the CEO, or to speak for the Board except to repeat explicitly stated Board decisions.
  - C. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policies, Board members will not publicly express individual judgments of performance of employees or the CEO.

## **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

- 5 A Board member aware of credible information that suggests that a Board policy has been violated, by either the Board or the CEO, has an affirmative obligation to bring the concern to the Board's agenda for monitoring.
- 6 Board members must respect the confidentiality appropriate to issues of a sensitive nature.
- 7 Board members 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.

*Date of Adoption/Last Revision: February 8, 2006.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.7

### POLICY TITLE: *BOARD COMMITTEE PRINCIPLES*

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Board committees, when used, have one essential role -- to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from Board to the CEO, or from the CEO 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. Board committees most commonly assist the Board by undertaking activities not delegated to the CEO, by preparing policy alternatives and implications for Board deliberation, or by performing specific monitoring functions. Board committees will normally not have direct involvement with current staff operations.
3. Board committees may not speak or act for the Board except when formally given such authority for specific and/or time-limited purposes. The Board will carefully state its expectations and committee authority (in the "Board Committee Structure" policy) in order not to conflict with authority delegated to the CEO.
4. Board committees must not exercise authority over staff. Because the CEO works for the full Board, he or she will not be expected to obtain 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," "task force," etc., and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

*Date of Adoption/Last Revision: March 29, 2005.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.8

### POLICY TITLE: *BOARD COMMITTEE STRUCTURE*

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A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in this policy. Unless otherwise stated, a Board Committee will cease to exist when its task is complete. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a non-voting member of each committee.

#### 1. **Board Development Committee –**

- A. Product #1: Recruitment of prospective directors, and a proposed slate of directors to be approved by the chapter members, in accordance with the Bylaws.

Product #2: Upon election of new Board members, arrangement of orientation/training of Board members in Policy Governance, the Board's governing policies and strategic issues as identified by the Board.

Product #3: At the first meeting after the election of new Directors, present a proposed slate of officers for the Board's consideration and vote.

Product #4: Recommendations brought forth for Board consideration regarding additional Board training opportunities to enhance the Board's governance capabilities.

- B. Authority: To incur costs of no more than \$8,067 in direct charges and no more than 72 hours of management time.
- C. Composition: Board Chair plus four others to be elected annually by the Board. The committee shall select one of its members (other than the Board Chair) to serve as the committee Chair.

#### 2. **Audit Committee**

- A. Product #1: Annual specification of scope of audit, prior to outside audit, consistent with Board monitoring policy.

Product #2: Assessment and confirmation of auditor's independence, and engagement of auditor -- by no later than March of each year.

- B. Authority: To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs of no more than \$36,200 for all matters related to the audit.

- C. Composition: To be Chaired by the Treasurer, and to include two additional members to be elected by the Board on the basis of financial literacy.

#### 3. **CEO Compensation Committee**

## **GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS**

- A. Product: Annual CEO compensation package alternatives for Board consideration. To be presented to the Board in a timely manner to allow Board decision to be taken by both parties by March of each year.
- B. Authority: To incur costs of no more than \$5,900 in direct charges, to include compensation surveys and outside counsel to draft contract, and no more than 36 hours of management time.
- C. Composition: \_\_\_\_\_

### **4. Chapter Relations Committee**

- A. Product: Development of plans and mechanisms to ensure the Board's awareness of chapter needs, concerns and values.
- B. Authority: To incur costs of no more than \$29,450 in direct charges and no more than 100 hours of management time.
- C. Composition:

### **5. Medical and Scientific Advisory Council (MASAC)**

- A. Product #1: "Submission of all official Documents to the Board of Directors for approval.

Product #2: Appraisal of the NHF Board and Staff of medical and scientific developments relevant to NHF's mission and Ends.

- B. Authority: To incur costs of no more than \$105,000 in direct charges and no more than 864 hours of management time.
- C. Composition: The Board Chair and/or his/her designee shall attend all MASAC meetings. MASAC Chair shall be an *ex-officio*, non-voting member of the Board of Directors. The Board shall appoint the Chair of MASAC for a three-year term.

### **6. Board of Directors (This item needs to be added to policy 4.8)**

- A. Product #1: "Determination of all policies to direct the National Hemophilia Foundation.
- B. Authority: To incur costs of no more than \$150,000 in direct charges and no more than 864 hours of management time.
- C. Composition: The Board shall be composed of 15 members elected by the chapters for three-year terms. Each Board member is eligible to be elected for a second three-year term.

*Date of Adoption/Last Revision: March 8, 2008.*

# GOVERNING POLICY OF THE NHF BOARD OF DIRECTORS

## POLICY TYPE: GOVERNANCE PROCESS

### POLICY 4.9

### POLICY TITLE: *GOVERNANCE INVESTMENT*

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The Board will consciously invest in its ability to govern competently and wisely.

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
  - A. Training and retraining will be used appropriately to orient new members and to maintain and increase existing Board member skills and knowledge.
  - B. Outside monitoring assistance, including fiscal audit, will be arranged as needed so that the Board can exercise confident control over organizational performance.
  - 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.
  - A. Up to \$21,500 in fiscal year 2009 for Board training, including publications.
  - B. Up to \$15,000 in fiscal year 2009 for reimbursements for attendance at Board meetings.
  - C. Up to \$88,725 in fiscal year 2009 for Board member travel (attendance at conferences, workshops, etc.)
  - D. Up to \$36,200 in fiscal year 2009 for audit and other third-party monitoring of organizational performance.
  - E. Up to \$6,000 in fiscal year 2009 for surveys, focus groups and opinion analyses.
  - F. Up to \$6,000 in fiscal year 2009 for Board-hosted ownership linkage/outreach events.
  - G. Up to \$106,250 in fiscal year 2009 for Board meeting and retreat costs.
  - H. Up to \$148,417 in fiscal year 2009 for Board committee functions (aggregate of all committee budgets other than audit expense).
3. The Board will establish its governance budget for the next fiscal year each year during the month of March.

*Date of Adoption/Last Revision: March 8, 2008.*