

## **FAVOR Upstate SC Board Governance Policies**

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**POLICY TYPE: ENDS****Policy 1.0****POLICY TITLE: *MISSION AND ENDS***

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FAVOR Upstate exists so that everyone affected by substance use disorders in the Upstate region\* of SC has a fighting chance at recovery.

Accordingly:

1. Everyone in Upstate SC suffering with substance use disorders will experience realistic, ongoing access to recovery support services delivered with compassion and dignity.
  - a. The “Upstate region” includes the counties of Abbeville, Anderson, Greenville, Greenwood, Laurens, Oconee, Pickens and Spartanburg.
  - b. Greenville and Spartanburg Centers are fully self-sustaining by June 30 2023
  - c. Anderson and Oconee Centers have launched proven sustainable funding strategies by June 30 2023
  - d. Pickens and Laurens Counties have completed community awareness and leadership development activities toward sustainability by June 30 2023
2. Both the professional community dealing with substance use disorders and the general public are aware of FAVOR Upstate and that there are many paths to recovery.
  - a. There will be increased opportunities, initiatives and events educating the public on substance use disorders.
3. At least 5,000 new people will become engaged with FAVOR Upstate by June 30, 2023.
  - a. 35% of these participants will report improved quality of life.

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.0****POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT***

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

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.1****POLICY TITLE: *TREATMENT OF PARTICIPANTS***

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With respect to interactions with participants or potential participants, the CEO will not cause or allow conditions, procedures, or decisions that are unsafe, undignified, or unnecessarily intrusive.

The CEO will not

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing participant information that fail to protect against improper access to the material elicited.
3. Operate facilities without appropriate accessibility and privacy.
4. Allow participants to be unaware of what may be expected and what may not be expected from services.
5. Leave participants uninformed of this policy, or without a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.
6. Allow volunteers or staff members who work with participants to operate without annual criminal background checks and review. (Sexual harassment and sexual harm are especially to be protected against.)
7. In regards to minors under the age of 17:
  - a) provide any services without written parental consent.

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.2****POLICY TITLE: *TREATMENT OF STAFF***

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With respect to the treatment of paid and volunteer staff, the CEO will not cause or allow conditions that are unsafe, unfair, undignified, disorganized, or unclear.

The CEO will not

1. Operate without sufficient, written personnel rules.
  - A. Subject staff to rules that are not clear and available.
  - B. Withhold from staff
    - a. An effective and unbiased method to deal with grievances.
    - b. Whistleblower protection.
  - C. Subject staff to wrongful conditions, nepotism, or preferential treatment based on personal reasons.
  - D. Allow undisclosed conflicts of interest. (The two highest paid employees must report conflicts and potential conflicts of interest for the previous and upcoming fiscal years to the board Audit Committee by July 15 of each year.)
2. Retaliate against any staff member for non-disruptive expression of dissent.
3. Allow staff to be unprepared to deal with emergency situations.
4. Allow staff to be
  - a. Inadequately trained or supervised for the role they fill at FAVOR Upstate SC.
  - b. Ignorant of or uncommitted to appropriate ethical boundaries.
  - c. In active addiction.

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.3****POLICY TITLE: *FINANCIAL PLANNING/BUDGETING***

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

The CEO will not allow budgeting that:

1. Is not balanced.
2. Risks incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities."
3. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
4. Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.
5. Encumbers the organization with indebtedness or leases with payments that extend beyond five years or with combined multi-year financial obligations greater than \$10,000.
6. Omits the annual contribution to the Cliff Vesting Account and annual premium for the Key Man life insurance policy.

## POLICY TYPE: EXECUTIVE LIMITATIONS

### Policy 2.4

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

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With respect to the actual, ongoing financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.

The CEO will not

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
2. Open an operating line of credit or incur debt longer than 30 days.
3. Use any long-term reserves.
4. Conduct inter-fund shifting of donor gifts or grants.
5. Allow payroll and debts to be settled in an untimely manner.
6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
7. Make a single unbudgeted purchase or commitment of greater than \$ 5,000, nor split orders to avoid this limit.
8. Acquire, encumber or dispose of real estate.
9. Allow any receivables, including any pledge of \$ 5,000 or more, to be unpursued after a reasonable grace period.
10. Use restricted contributions for purposes other than stated by the contributor.
11. Allow the acceptance of gifts outside the constraints of an appropriate written gift acceptance policy.
12. Fail to exercise adequate internal controls over disbursements to avoid unauthorized payments. The organization shall not have secret funds and it shall prohibit any unaudited transactions or loans.
13. Pledge any of the assets of the corporation as security within any contracts except a purchase money security interest.
14. Obtain revenues from sources that are not, in fact and appearance, legal and consistent with the mission and values of the organization

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.5****POLICY TITLE: ASSET PROTECTION**

The CEO will not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

The CEO will not

1. Allow board members, staff, and the organization itself to be inadequately insured against theft, casualty, and liability losses.
  - a. Property coverage must equal at least replacement cost.
  - b. D&O coverage and umbrella coverage of no less than \$1,000,000.00 each.
  - c. Workman's compensation required for paid staff.
  - d. Key Man Life Insurance Policy for CEO
2. Allow unbonded personnel access to material amounts of funds.
3. Subject property, plant, and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its board or staff to claims of liability.
5. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over \$ 5,000 without having obtained comparative prices and quality. Orders shall not be split to avoid these criteria.
6. Allow intellectual property, information and files to be exposed to loss or significant damage.
7. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
8. Compromise the independence of the board's audit or other external monitoring or advice. Engaging parties already chosen by the board as consultants or advisers is unacceptable.
9. Invest or hold operating capital in insecure instruments, including uninsured checking accounts at any time or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions. Funds entrusted to the board's investment advisers and managed according to the board's standard are exempt from this requirement.
10. Endanger the organization's public image, credibility, or its ability to accomplish Ends.
11. Operate without a written media crisis plan.
12. Change the organization's name or substantially alter its identity in the community.

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.6****POLICY TITLE: *EMERGENCY CEO SUCCESSION***

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In order to protect the board from sudden loss of CEO services, the CEO will have a plan in place detailing his recommendations on how the board and CEO issues and processes will be managed with reasonable proficiency until his successor has been appointed. However, the board is not obligated to follow this succession plan.

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.7****POLICY TITLE: *COMPENSATION AND BENEFITS***

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With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO will not cause or allow jeopardy to fiscal integrity or to public image.

The CEO will not

1. Change the CEO's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
5. Operate without effective volunteer retention and recognition policies.
6. Establish or change retirement benefits so as to cause unpredictable or inequitable situations, including those that:
  - A. Incur unfunded liabilities.
  - B. Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity are not prohibited.
  - C. Treat the CEO differently from other key employees.

**POLICY TYPE: EXECUTIVE LIMITATIONS****Policy 2.8****POLICY TITLE: *COMMUNICATION AND SUPPORT TO THE BOARD***

The CEO will not permit the board to be uninformed or unsupported in its work. The CEO will not

1. Withhold, impede, or confound information relevant to the board's informed accomplishment of its job.
  - A. Neglect to submit monitoring data required by the board in Board-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," as well as relevant data.
  - B. Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the board's monitoring schedule.
  - C. Allow the board to be without decision information required periodically by the board or let the board be unaware of relevant trends.
  - D. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and supplemental material.
  - E. Allow the board to be unaware of any incidental information it desires including anticipated media coverage, threatened or pending lawsuits and material internal changes.
  - F. Allow the board to be unaware 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 behavior that is detrimental to the work relationship between the board and the CEO.
2. Withhold from the board and its processes logistical and clerical assistance.
  - A. Allow the board to be deprived of a workable, user-friendly mechanism for official board, officer, or committee communications.
  - B. Neglect to deliver the board meeting material to each member at least five (5) calendar days prior to the board meeting.
  - C. Allow the board to be deprived of pleasant and efficient settings and arrangements for board and committee meetings.
3. Impede the board's holism, misrepresent its processes and role, or impede its lawful obligations.
  - A. Deal with the board in a way that favors or privileges certain board members over others except when (i) fulfilling individual requests for information or (ii) responding to officers or committees with respect to duties charged to them by the board.
  - B. Allow the board to do its work without the necessary items on its consent agenda. Necessary items are those decisions delegated to the CEO yet required by regulation, law or contract to be board-approved, along with applicable monitoring information.
  - C. Hinder access to the board for any person who alleges unethical or unlawful action or circumstance in the organization or by its representatives.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Policy 2.9****POLICY TITLE: *PROGRAMS / SERVICES***

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With respect to the programs produced / services provided by the organization, the CEO shall not allow programs / services that do not meet or exceed evidence-based standards for excellence in program quality and safety.

Accordingly, the CEO shall not:

1. Allow undefined program outcomes.
2. Operate outside of accreditation from the Council on Accreditation of Peer Recovery Support Services (CAPRSS).
3. Operate without the appropriate standards/outcomes required by funding organizations from which FAVOR Upstate SC has accepted grants.
4. Fail to follow the Benevon Model of Sustainable Funding that the board adopted in 2015.

**POLICY TYPE: BOARD-MANAGEMENT DELEGATION****Policy 3.0                      POLICY TITLE: *GLOBAL 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, titled Chief Executive Officer (CEO).

**POLICY TYPE: BOARD-MANAGEMENT DELEGATION****Policy 3.1****POLICY TITLE: *UNITY OF CONTROL***

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Only officially passed motions of the board that make or amend Executive Limitations or Ends policies are binding on the CEO.

Accordingly:

1. Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such exercise of authority.
2. In the case of board members or committees requesting information or assistance without board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive.

**POLICY TYPE: BOARD-MANAGEMENT DELEGATION****Policy 3.2****POLICY TITLE: *ACCOUNTABILITY OF THE CEO***

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The CEO is the board's 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 never 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 avoidance of board proscribed means will be viewed as successful CEO performance.
4. In regards to compensation decisions, the board will follow the CEO Review and Compensation Plan adopted in August, 2017.

**POLICY TYPE: BOARD-MANAGEMENT DELEGATION****Policy 3.3****POLICY TITLE: *DELEGATION TO THE CEO***

The board will instruct the CEO through written policies which 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 policies instructing the CEO to achieve specified results, for specified recipients at a specified relationship between cost and results. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues as defined above are Means issues.
2. The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the board, even if they were to be effective. These policies will be developed systematically from the broadest, most general level to more defined levels; they will be called Executive Limitations policies. The board will never prescribe organizational means of the CEO.
3. As long as the CEO uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, 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 Executive 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. But as long as any particular delegation is in place, the board will respect and support the CEO's choices.
5. Should the CEO violate a board policy, he or she shall promptly inform the board. Informing is simply to guarantee no violation may be intentionally kept from the board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent board judgment of the action nor does it curtail any executive decision.

**POLICY TYPE: BOARD-MANAGEMENT DELEGATION****Policy 3.4****POLICY TITLE: *MONITORING CEO PERFORMANCE***

Systematic and rigorous monitoring of CEO performance will be solely against the board's required CEO job outputs: organizational accomplishment of any reasonable interpretation of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations, reasonably interpreted.

Accordingly:

1. Monitoring is simply to determine whether or not expectations expressed in board policies have been met. Information that does not disclose this will not be considered to be monitoring information.
2. The board will obtain disclosure about the CEO's interpretations of the board policy being monitored from the CEO himself or herself.
3. The board will obtain data disclosing whether or not the CEO's interpretations have been accomplished using one or more of three methods: (a) by internal report, in which the CEO discloses the data to the board; (b) by external report, in which an external, disinterested third party selected by the board collects the data; and (c) by direct inspection, in which data are collected by the board, a designated board member or by designated board members.
4. In every case, the board will determine: (a) the reasonableness of the CEO's interpretations, using a "reasonable person test" rather than with interpretations favored by board members or the board as a whole. The board is the final arbiter of reasonableness. The board will also assess: (b) whether data demonstrate the accomplishment of the interpretation.
5. All policies that instruct the CEO 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 normally use a routine schedule.

<b>Policy Number</b>	<b>Policy Name</b>	<b>Method</b>	<b>Frequency</b>	<b>Month</b>
2.4	Financial Condition and Activities	Internal	Quarterly	2/4/8/10
		External	Annually	10
2.3	Financial Planning/Budgeting	Internal	Annually	6
2.2	Treatment of Staff	Internal	Annually	8
2.8	Communication to Board	Direct	Annually	8
2.0,2.1,2.5,2.6,2.7,2.9	Other Executive Limitations	Internal	Annually	8
1.0	Ends	Internal	Annually	6

In addition to the monitoring reports above, the board must receive the following information each month. It is understood that this data is supplemental, not monitoring.

Summary Income/Expense

Statement and Cash Flow

Internal

Monthly

End of Month

**POLICY 3.4 (continued)** (The Board Secretary will maintain the monitoring chart and affirm the board's observations by initial.)

**Calendar Year \_\_\_\_\_ Monitoring Chart**

	CEO Interpretation Reasonable		Data Adequate & Clear		CEO Compliance with Board Policy		Affirmation	Date
	Board Agrees	Board Disagrees	Yes	No	Yes	No	Board Secretary	
1.0 Mission and Priorities								
2.0 Global Executive Constraint								
2.1 Treatment of Participants								
2.2 Treatment of Staff								
2.3 Financial Planning/Budgeting								
2.4 Financial Condition & Activities 1 <sup>st</sup> qtr.								
2.4 Financial Condition & Activities 2 <sup>nd</sup> qtr.								
2.4 Financial Condition & Activities 3 <sup>rd</sup> qtr.								
2.4 Financial Condition & Activities 4 <sup>th</sup> qtr.								
Financial Condition – external Audit	N/A	N/A	N/A	N/A				
2.5 Asset Protection								
2.6 Emergency CEO Succession								
2.7 Compensation and Benefits								
2.8 Communication and Support to Board	N/A	N/A	N/A	N/A				
2.9 Programs/Services								
<b>Areas of Non-compliance</b>								
<b>Policy #</b>	<b>Date</b>	<b>Specific Area of non-compliance</b>						

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.0****POLICY TITLE: *GLOBAL GOVERNANCE COMMITMENT***

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The purpose of the board, on behalf of those in the Upstate Region of South Carolina who are in recovery from substance use disorders, their families, friends and allies, is to see to it that FAVOR Upstate SC (a) achieves appropriate results for appropriate persons at an appropriate cost (as specified in board Ends policies), and (b) avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies).

## POLICY TYPE: GOVERNANCE PROCESS

### Policy 4.1

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

The board will govern lawfully with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity. Accordingly:

1. The board believes...
  - Recovery from addiction is a reality in the lives of millions.
  - Recovery is a right for everyone.
  - Recovery can be achieved through many pathways.
  - Recovery flourishes in supportive communities.
  - Recovery is a voluntary process.
  - Recovering people are part of the solution.
  - Recovery gives back what addiction has taken away.
  - Recovery benefits everyone.
2. The board supports the Recovery Bill of Rights endorsed by Faces and Voices of Recovery.
3. 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 a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.
4. 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 policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
5. 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 continuance of governance capability. Although the board can change its governance process policies at any time, it will observe those currently in force scrupulously.
6. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
7. The board will allow no officer, individual, or committee of the board to hinder or be an excuse for not fulfilling group obligations.
8. The board will monitor and discuss the board's process and performance regularly. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.2****POLICY TITLE: *BOARD JOB DESCRIPTION***

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Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the board has direct responsibility for:

1. The link between the ownership and the operational organization.
2. Written governing policies that address the broadest levels of all organizational decisions and situations.
  - A. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost/priority).
  - 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-Management Delegation: How power is delegated and its proper use monitored including, if applicable, the CEO role, authority, and accountability.
3. CEO selection and termination.
4. Assured successful organizational performance on Ends and Executive Limitations.
5. Recruitment and orientation of new Board members and the assessment of Board performance.
6. Raising funds.

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.3****POLICY TITLE: 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 which (a) completes a re-exploration of Ends policies annually and (b) continually improves board performance through board education and enriched input and deliberation.

1. The cycle will conclude each year on January 31<sup>st</sup> 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 February with the board's development of its agenda for the next year.
  - A. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.
  - B. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
4. At any meeting prior to which monitoring reports have been received, the board will ascertain by vote whether a majority of members judge the individual reports to have demonstrated fulfillment of a reasonable interpretation of the applicable policy.
5. CEO remuneration will be decided at the June Board meeting after a review of monitoring reports received in the last fiscal year.

**POLICY TYPE: GOVERNANCE PROCESS**

**Policy 4.4**

**POLICY TITLE: *CHIEF GOVERNANCE OFFICER'S ROLE***

The Chief Governance Officer (CGO), also known as the Board Chair, assures the integrity of the board's process.

Accordingly:

1. The assigned result of the CGO's job is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - A. Meeting discussion content will be on those issues which, according to board policy, clearly belong to the board to decide or to monitor.
  - B. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
  - C. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
2. The authority of the CGO consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of a CEO and (b) where the board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.
  - A. The CGO is empowered to chair board meetings with all the commonly accepted power of that position, such as ruling and recognizing.
  - B. The CGO has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the CEO.
  - C. The CGO 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.
  - D. The CGO may delegate this authority, but remains accountable for its use.

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.5****POLICY TITLE: *BOARD SECRETARY'S ROLE***

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The Board Secretary is an officer of the board whose purpose is to ensure the integrity of the board's documents.

1. The assigned result of the Secretary's job is to see to it that all board documents and filings are accurate and timely.
  - A. Policies will be current in their reflection of board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or board member recognitions need not be placed in policy.
  - B. Policies will rigorously follow Policy Governance principles.
  - C. Bylaw elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the board.
  - D. Requirements for format, brevity, and accuracy of board minutes will be known to the CEO.
2. The authority of the Secretary is access to and control over board documents, and the use of staff time not to exceed 50 hours per year.

## POLICY TYPE: GOVERNANCE PROCESS

### Policy 4.6

### POLICY TITLE: *RULES OF ORDER*

Board meetings will be conducted in an orderly and fair manner consistent with the bylaws, these policies and the Carver Policy Governance model.

1. Board meetings will be conducted with punctuality and decorum.
  - A. Board meetings shall be called to order at the time specified in the notice of meeting (or as pre-arranged) and upon satisfaction of quorum.
  - B. Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
  - C. Board members must keep their comments relevant to the issue under consideration.
  - D. A majority vote will decide all motions before the board excepting those matters in the bylaws, which oblige a higher level of approval.
2. Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.
  - A. Discussion of a matter not on the previously distributed agenda may not occur prior to a proposal that action be taken on the matter.
  - B. Proposals that the board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a board member, discussed, and then voted on. Motions, except those brought by a committee, require a second to proceed to discussion and subsequent vote.
  - C. The Chair may not make motions or engage in debate unless the Vice-Chair or another board member chairs that portion of the meeting. The Chair may vote on any matter to be decided.
  - D. A motion to amend a main motion may be amended but third level amendments are out of order.
  - E. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, and if carried shall set the main motion (the initial proposal) aside accordingly.
  - F. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.
  - G. A vote on a motion shall be taken when discussion ends but any board member may, during the course of debate, move for an immediate vote (close debate) which, if carried, shall end discussion and the vote on the main motion shall then be taken.
  - H. A motion to adjourn a board meeting may be offered by any board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.

## POLICY TYPE: GOVERNANCE PROCESS

### Policy 4.7

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

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.

1. Board members must have loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
  - A. There will be no self-dealing or business except as procedurally controlled, by a member with the organization. Members will annually, each July, disclose their dealings with FAVOR Upstate SC and involvements with other organizations, with vendors, or any associations that might be or might reasonably be seen as being a conflict. The Audit Committee shall report to the Board each August on their review of these reports.
  - B. When the board is to decide upon an issue, about which a board member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation.
  - C. Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. Should a board member apply for employment, he or she must first resign from the board.
3. Board members may 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, 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. Except for participation in board deliberation about whether the CEO has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees of the CEO.
4. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
5. Board members will support the legitimacy and authority of board decisions, irrespective of the member's personal position on the issue.

## POLICY TYPE: GOVERNANCE PROCESS

### Policy 4.8

### POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITIES*

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The leadership success of the board is a direct result of the individual and collective participation of its members. Therefore, each board member is expected to participate in the following ways:

1. Attendance - As board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at board meetings is required of board members. Members may not be absent from more than two of the board's six regularly scheduled meetings in any fiscal year, beginning July 1, 2015. Any absence which exceeds this allotment will be interpreted as that member's resignation from the board.
2. Preparation and Participation - Board members will prepare for board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the board. Each member will contribute his or her own knowledge, skills and expertise to the board's efforts to fulfill its responsibilities.
3. Members as Individuals - the CEO is accountable only to the board as an organization, and not to individual board members. Accordingly, the relationship between the CEO and individual members of the board, including the board chair, is collegial, not hierarchical.
4. Volunteerism - As the functioning and success of the organization depend largely on the involvement and dedication of volunteers, all board members are required to contribute a minimum of 40 hours (inclusive of board meeting time) annually to the organization. Failure to meet this annual volunteer requirement will be interpreted as that member's resignation from the board. In view of the CEO's responsibility for operational activities and results, members of the board acting as operational volunteers are subject to the direct supervision of the CEO or responsible staff person.
5. Believe in and be an active advocate and ambassador for the values, mission and vision of the organization.
6. Support the fund development operation of the organization. Specifically
  - Reach into diverse communities and help identify and cultivate relationships to support the organization as donors, volunteers and advocates.
  - Give an annual financial contribution to the best of personal ability. Consider this organization one of your top 2-3 charitable commitments. When the organization launches a capital campaign, give to that as well. Failure to meet this annual financial requirement will be interpreted as that member's resignation from the board.
  - Participate in fund development by taking on various tasks tailored to your comfort and skills, in accordance with the FAVOR FOREVER Sustainable Funding Plan adopted by the board in January, 2016.

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.9****POLICY TITLE: *BOARD COMMITTEE PRINCIPLES***

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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 CEO.

Accordingly:

1. Board committees are to help the board do its job, not 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 direct dealings with current staff operations.
2. 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 CEO.
3. Board committees cannot exercise authority over staff. Because the CEO works for the full board, he or she will not be required to obtain approval of a board committee before an executive action.
4. 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 subject.
5. Committees will be used sparingly and ordinarily in an *ad hoc* capacity.
6. This policy applies to any group which is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the CEO.

## POLICY TYPE: GOVERNANCE PROCESS

### Policy 4.10

### POLICY TITLE: ***BOARD COMMITTEE STRUCTURE***

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

1. Advocacy Advisory Committee (see Policy 4.14 - Advocacy)
  - A. Products:
    1. Options and implications for board consideration with respect to any forthcoming board decisions regarding public positions as needed.
    2. Options and implications for board consideration regarding long term legislative or regulatory effects to be achieved by the board—by no later than the December board meeting each year.
  - B. Authority: To incur costs of no more than \$ 500 direct charges and no more than 50 hours of staff time.
2. Leadership Development Committee
  - A. Products:
    1. Properly screened potential board members and recommendations for officers — by no later than two weeks prior to the April board meeting.
    2. On-going monitoring/correction of board and individual members' performance, including new board member orientation.
    3. Annual review and oversight of the CEO Review and Compensation Plan for presentation to the board at the June Board meeting.
  - B. Authority: To incur costs of no more than \$ 3,000 direct charges and no more than 20 hours of staff time per annum.
3. Audit Committee
  - A. Products:
    1. Specification of scope of audit prior to outside audit—by no later than June 10th each year.
    2. Appropriately evaluating program outcomes late summer/fall.
  - B. Authority: To incur no more than \$ 8,500 in direct charges and use of no more than 50 person-hours staff time per annum.
4. Investment Committee (see Policy 4.13 for Board Investment Guidelines)

## POLICY TYPE: GOVERNANCE PROCESS

### Policy 4.11

### POLICY TITLE: **BOARD SIZE AND NOMINATION**

The Board aims to maintain a size of at least 7 and up to 12 members. The Leadership Development Committee ("LDC"), pursuant to Policy 4.10(2)(A)(1) is charged with the duty of screening and nominating 1) potential new board members, 2) Board Chair, 3) Chair-Elect, and 4) Secretary. All such nominations shall be presented to the Board to be voted upon according to the Rules of Order (Policy 4.6).

1. The LDC shall consist of the following members:
  - a. Chair-Elect (who shall Chair the LDC);
  - b. Board Chair; and
  - c. 2 board members elected annually by the Board at the February board meeting, selected from those members who are NOT up for re-election at the conclusion of the current fiscal year.
2. At the February board meeting, the Board will decide by vote how many (if any) board seats need to be filled based upon the current board composition and the foreseeable board needs. The LDC will then screen and nominate candidates to fill such seats. The LDC is specifically authorized to screen/nominate any candidate it chooses; however, the LDC will encourage the Board to suggest candidates for screening/nomination at any time, but particularly before February 28 preceding an April board meeting for the official nomination and vote. After screening all candidates and determining who it wishes to nominate for board membership, a member of the LDC will discuss with the potential nominee his/her willingness to serve if he/she were invited to join. At the next April board meeting, nominee(s) who have indicated a desire and willingness to serve shall be presented to the Board for discussion and vote in accordance with the Rules of Order. The Board Chair shall then formally invite any nominee approved by the board to become a board member. Upon acceptance of the invitation, the new board member shall begin his/her term at the start of the fiscal year on July 1.
  - a. It is contemplated that circumstances may and likely will arise on occasion where the LDC determines that a new board member should be nominated and added to the board at a time outside of the normal April board meeting nomination/vote. Such circumstances might include, though not exclusively nor limited, forced or unforced resignations of board members, or some expressed need to expand the board size. In such case as the LDC may determine in its sole discretion, the LDC shall, at the next regularly scheduled board meeting, discuss with the Board its determination of need and the basis for it. After discussion, the Board will vote upon whether to authorize the LDC to nominate such additional member(s). If so authorized, the LDC will then go through the same screening and nominating process as in paragraph 2 above, to be voted upon at the first regularly scheduled board meeting after the LDC has finalized its choice for nomination(s).

Upon acceptance of the invitation, the new board member elected separately from the annual election process is presumed to have begun service July 1.

3. The Leadership Development Committee will also make nominations for the Board Chair, Chair-Elect, and Secretary. These nominations shall be made and voted upon at the April board meeting each year. By no later than February 28 of each year, the Leadership Development Committee will solicit suggestions for officer nominations from the board. Prior to formal nomination at the board meeting, the Committee shall approach any potential nominee and ask if he or she would be willing to serve in the proposed role, and nominations at the April meeting shall be limited to board members who have indicated their willingness to so serve.
4. Nomination or re-nomination of board members may be based upon such factors as the Leadership Development Committee deems appropriate. Some factors that may be considered (though not required to be considered, and not exclusive considerations) are the individual's passion for the organization; connection to the mission; connection to recovery; individual life experience; occupation and its relevance or contributory utility to the board; relative sphere of social, business, or political influence; financial ability to contribute; sufficient time to dedicate to board responsibilities; board diversity; board representation of the perspectives of the community members at large. Again, this list is merely suggestive as a guide and in no way limits or dictates factors of board member consideration by the Committee.
5. It is contemplated that certain accrediting organizations (such as ARCO or CAPRSS, by way of example only) may require that a certain percentage of board members be persons in recovery in order for FAVOR Upstate SC to be accredited or maintain its accreditation. In the event that FAVOR Upstate SC is subject to any such requirements, the board should take such steps as may be necessary and in a reasonable fashion to maintain the appropriate ratio of members in recovery to members who are not in recovery. If there are no external requirements for board members to be in recovery, the board may be comprised of any group of people regardless of whether or not they are persons in recovery.
6. Individuals employed by a treatment provider or anyone serving as a board member of a treatment provider may not serve as a board member of FAVOR Upstate SC.

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.12****POLICY TITLE: COST OF GOVERNANCE**

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

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
  - A. 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.
  - B. 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.
  - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

<b>Faces and Voices of Recovery Upstate</b>			
<b>Board Budget July 1, 2022 - June 30, 2023</b>			
	<b>Budget</b>	<b>%</b>	<b>Notes</b>
<b>Income</b>	<b>\$990</b>		9 @ \$ 110
<b>Total Income</b>	<b>\$990</b>	<b>0.00%</b>	
<b>Gross Profit</b>	<b>\$990</b>	<b>0.00%</b>	
<b>Expenses</b>			
<b>8800 Board Expenses</b>			
8820 Leadership Committee	\$6,000	0.00%	Reid Lehman
8830 Training/conference/workshops	0		
8840 Audit/Third Party Monitoring	6,000	0.00%	Bradshaw, Gordon, and Clinkscales
6/30/2021	\$6,000		
6/30/2022	\$7,250		
6/30/2023	\$8,500		
8850 Ownership Communication	0.00	0.00%	
8860 Board Meeting Expenses	1,000.00	0.00%	Catering/Holiday Party
<b>Total 8800 Board Expenses</b>	<b>\$14,050.00</b>	<b>0.00%</b>	
<b>Total Expenses</b>	<b>\$14,050.00</b>	<b>0.00%</b>	
<b>Net Operating Income</b>	<b>\$13,060.00</b>	<b>0.00%</b>	
<b>Net Income</b>	<b>\$13,060.00</b>	<b>0.00%</b>	

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.13****POLICY TITLE: *BOARD RESERVES AND INVESTMENTS***

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The board dedicates itself to careful stewardship of FAVOR Upstate SC's endowment contributions, board restricted capital and the earnings from invested funds. Accordingly:

1. Investment advisors will be retained by the Board to manage these funds.
  - A. The board will make strategic decisions including:
    1. Establishing or modifying the contract with the investment advisors.
    2. Changing investment advisors.
  - B. An Investment Committee will handle tactical decisions including:
    1. Directing investment advisors within parameters of the board's investment policy.
    2. Evaluating and responding on a timely basis to donor requests to hold certain investments in the contributed form, e.g. a particular stock or other instrument.
    3. Measuring, monitoring and establishing accountability for investment advisor(s) performance with respect to board objectives.
    4. Determining within constraints of board policy investment earnings available for the operating budget each fiscal year by the end of March.
    5. Advising the board as to its strategic decisions in this area.
  - C. There will be three categories of invested funds:
    1. Operating capital – i.e. The CEO, constrained by Board policies, may entrust operating capital, project funds and/or other financial resources to the investment advisor(s) at his/her discretion, withdrawing those funds when needed.
    2. Endowed funds--contributions to endowment plus accrued earnings on such contributions. Payouts from restricted endowments will be in accordance with the agreements with donors. Payouts from funds not dictated by donor agreements shall not exceed 4 per cent of the three-year average value of such funds at the beginning of the calendar year. The Investment Committee will advise the Board each March as to additional funds available under this guideline.
    3. Board designated reserves.
2. The principal of funds given for endowment must be reserved for the donor's intended purpose in perpetuity with no options for utilization under any circumstances. Funds not so designated may be invaded only if the board determines use is vital to the survival of the agency.
3. The investment objective for the invested funds will emphasize total return.

**POLICY TYPE: GOVERNANCE PROCESS****Policy 4.14****POLICY TITLE: *ADVOCACY***

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To make the systematic change necessary to achieve our mission, the Board of FAVOR Upstate SC engages in advocacy activity or active support for a cause or policy. The Board and its CEO will advocate on public policy issues that support the mission of the organization.

- 1) In FAVOR's work with coalitions and associations, FAVOR may take part in the advocacy work of a group provided the work is not in conflict with FAVOR's mission.
- 2) Participants and contributors to FAVOR represent a broad cross-section of the political spectrum. FAVOR does not support one candidate over another; and does not support political parties. FAVOR works with all political parties in legislative efforts. If it asks one candidate for office to speak at events, an invitation is extended to any opposing candidates as well.
- 3) FAVOR may take positions on public policy issues that fulfill any of three criteria:
  - A. The issue affects FAVOR's ability to achieve toward its mission
  - B. The issue affects FAVOR's partners or participants
  - C. The issue affects FAVOR's status or its operations
- 4) The CEO is empowered to advocate based on his/her own judgment, on behalf of 3) above and for any issue supported by the Board through policy 1.0 (Mission and Ends) and Policy 4.1 (Governing Style and Values).
- 5) Advocacy positions on other specific issues will be determined by the Board of Directors. Issues the Board supports include:
  - Transforming the ineffective acute care model of current addiction treatment into the recovery management model.
  - Integrating the treatment of addiction and mental illness into the healthcare system.
  - Reversing discrimination against people living with addiction in all parts of society, including the recovery community.