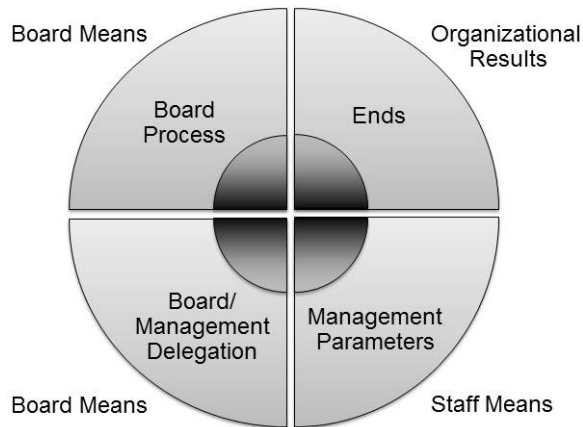




Board of Directors' Governing Policies Manual



Introduction

This Board of Directors' Governing Policies Manual (the "Governing Policies") contains the performance standards, values, and expectations of the Board of Directors ("the Board") of Middle Atlantic Swimming ("MASI").

1. **Purpose:** The Governing Policies are designed to help the Board approach decisions from the perspective of its own previously established standards, values, and expectations by:
 - A. Elevating efficiency of having all ongoing Board policies in one place.
 - B. Quickly orienting new Board members to current policies.
 - C. Eliminating redundant or conflicting policies.
 - D. Having greater ease of reviewing current Board policy when considering new issues.
 - E. Providing clear, proactive policies to guide the Executive Director (the "ED") and staff, as well as Board officers, members, and committees.
2. **Consistency:** The Board will ensure that each policy in this document is consistent with the law, the Articles of Incorporation, and the Bylaws, all of which have precedence over the Governing Policies. The Board will also ensure that the Governing Policies and organizational practices are consistent with and do not contradict the USA Swimming Rules and Regulations (the "Rules and Regulations") as established by the USA Swimming House of Delegates (the "HOD"). Except for time-limited or procedural-only Board decisions (e.g., approving minutes, electing officers, etc.), which are recorded in Board meeting minutes, all standing Board policies shall be included or referred to in the Governing Policies. The ED is responsible for developing operational and administrative policies and procedures that are consistent with the standards set forth in the Governing Policies.
3. **Transition:** Unless a prior Board resolution or contract obligates the organization regarding a specific matter, the Governing Policies supersede previous Board resolutions. If an actual or apparent conflict arises between the Governing Policies and other policies or Board resolutions, the matter shall be brought to the Board's attention for resolution.
4. **Changes:** The Board will regularly review the Governing Policies and, as appropriate, refine them. Proposed revisions may be submitted for Board consideration by any Board member or by the ED. Whenever changes are adopted, the updated document should be dated and promptly disseminated to the Board and ED.
5. **Specificity:** Each new policy will be drafted to fit into the appropriate section of the Governing Policies. For consistency, policies should be drafted starting with the broadest policy statement, then adding specificity to the level of detail at which the Board would accept any reasonable interpretation when delegating further decisions relevant to that policy topic (i.e., to the Board Chair, Board Committees, or the ED).

Policy 1.0 Ends/Priority Results

Date of adoption / Last revision:



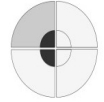
1.0 Broadest/Purpose Statement:

Middle Atlantic Swimming exists for:

PRIORITY RESULTS:

Policy 2.0 Governance Purpose

Date of adoption / Last revision:



Board Process

Acting on behalf of the membership, the purpose of the Board is to ensure that Middle Atlantic Swimming:

1. Achieves appropriate results for or on behalf of the membership as specified in Policies 1.0 at an optimal cost; and
2. Avoids unacceptable actions and situations.

Policy 2.1 Governing Philosophy and Values

Date of Adoption / Last Revision:



Board Process

The Board will govern lawfully and in compliance with the USA Swimming's and MASI's Bylaws. The Board will govern using Policy Governance principles, with an emphasis on: (a) integrity and truthfulness in all its activities and practices, (b) outward vision, (c) encouragement of diversity in viewpoints, (d) strategic leadership more than administrative detail, (e) clear distinction of Board and staff roles, (f) collective decisions, and (g) a focus on the future.

Accordingly:

1. The Board will uphold the Rules and Regulations set by USA Swimming.
2. The Board will cultivate a sense of group responsibility for its own performance. The Board will lead MASI by proactively setting performance expectations for its own work and expectations for the operations of MASI.
3. The Board will use the expertise of its members to enhance its understanding of issues, but it will not simply defer to that expertise as the judgment of the entire Board.
4. The Board will articulate in writing the performance standards and expectations for MASI annually as well as long-term. The Board's primary focus will be on the achievement of intended outcomes for and on behalf of the LSC's membership and not on the administrative/operational means of attaining those outcomes. As such, the Board's activities are strategic in nature and the Board delegates the authority and ability to operate day-to-day activities to the ED and staff.
5. The Board will establish and adhere to its own performance expectations pertaining to matters such as attendance, meeting preparation and participation, policymaking, respect of roles, speaking to management, the membership, and the public with one voice, and continually building the Board's governance capability and reputation.
 - A. Continual Board development will include periodic discussion of its own performance and orienting new Board members in the Board's governance process and the Governing Policies upon appointment or election.

Orientation for new Board members will include three primary components:

Governance process: The Governance Committee, defined by MASI Bylaw 7.4.4, will ensure provision of training including the governance principles underlying the Governing Policies and the Bylaws, with particular emphasis on Policy 2.5 *Board Members' Code of Conduct*. Current strategic issues: The Board Chair and the ED

will provide overview and background information on significant issues being addressed and likely to be decided upon early in new Board member's tenure.

Operational overview: The ED will help new Board members achieve a general

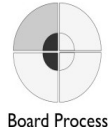
understanding of MASI and USA Swimming (e.g., financials, key personnel, key products/programs/services, etc.).

6. Although the Board may change the Governing Policies at any time, it will diligently observe those currently in effect.
7. All policies of the Board are contained in the Governing Policies, and they remain in effect, unless amended or deleted by Board action.
8. The Board will be accountable to the LSC's membership, for competent, conscientious, and effective fulfillment of its governance obligations. The Board will not allow any officer, individual, or Board Committee to be an obstacle to this commitment.
9. The Board and the Governance Committee will regularly evaluate and strive to improve the Board's performance. Assessment and Self-assessment will compare Board activity and discipline to the standards set forth in Policies 2.0 through 2.10 ("*Board Process Policies*") and Policies 4.1 through 4.5 ("*Board-Management Delegation Policies*").

The Board shall exhibit operational and financial transparency; the Board's activities will be open and accessible to reasonable scrutiny by the LSC membership, with the exception of personnel or other matters of a sensitive nature.

Policy 2.2 Board Objectives

Date of adoption / Last revision:



On behalf of the LSC membership, the Board's role is to define and ensure appropriate organizational performance.

To distinguish the Board's own role from those of the ED and staff, the Board will concentrate its efforts on three primary products or outputs:

1. **Connection with Members:** The Board will connect the interests of the LSC membership with organizational performance planning
 - A. **Needs Assessment:** The Board will assess needs and trends affecting the LSC membership as they relate to USA Swimming's and MASI's activities and scope of influence, and it will develop and maintain *Ends/Priority Results* Policies, identifying and prioritizing intended organizational outcomes to address those needs.
 - i. As part of its needs assessment and outreach efforts, the Board will include structured dialogue with key constituent groups, including but not limited to committees, clubs, athletes, non-athlete members, and committee leadership, as well as representatives of key allied and affiliated entities
 - B. **Advocacy:** The Board will inform the LSC membership MASI's achievements on their behalf and of its expected future results.
 - i. Particular emphasis will be given to ensuring demonstrated leadership, transparency, and accountability to the HOD.
 - ii. The Board will proactively communicate its rationale for and the implications/intended benefits of legislative changes it proposes to the HOD.
2. **Performance Standards:** The Board will maintain written performance standards, as set forth in the Governing Policies, addressing the broadest, and as appropriate, more defined levels of all organizational decisions and situations.
 - A. **Ends:** Strategic results priorities describing intended organizational impacts, benefits, outcomes, and recipients, and their relative worth (what results, for which recipients, at

what cost/priority).

- B. **Management Parameters:** Constraints on executive authority defining the boundaries of prudence and ethics within which all management activity and decisions must take place.
 - C. **Board Process:** Specification of how the Board defines, carries out, and assesses its own work.
 - D. **Board/Management Delegation:** Specification of how the Board delegates authority to management and ensures its proper use; the ED role, authority, and accountability.
 - E. **Assurance of Organizational Performance:** The Board, through the Personnel Committee, maintains responsibility for the selection, compensation, evaluation, and termination of the ED. The Board will ensure Ends fulfillment, financial solvency, and organizational integrity by holding itself accountable for effective governance as defined in the Governing Policies, and it will hold the ED accountable for successful achievement of *Ends/Priority Results* Policies.
 - F. The Board will make a recommendation regarding the annual operating budget for the subsequent fiscal year at its March meeting.
 - G. The Board shall approve the annual Key Performance Indicators, which, together with the Ends/Priority Results and ED Interpretations, shall constitute the strategic plan of MASI BOD.
3. The Board shall take all reasonable steps to ensure that the governing documents (e.g., Articles of Incorporation, Bylaws, Rules and Regulations, the Governing Policies, etc.) and practices and procedures of MASI meet the Compliance Standards promulgated by the USOPC, the U.S. Center for SafeSport, and USA Swimming.
- A. Making decisions outside the boundaries of authority delegated to the ED as proscribed in the *Management Parameters* Policies.

Policy 2.3 Board Work Plan and Agenda Preparation

Date of adoption / Last revision:



Board Process

To fulfill its role, the Board will prepare and follow an annual work plan that: (1) re-explores *Ends/Priority Results* Policies and (2) continually improves Board performance through Board education and interactions with members, customers, staff, beneficiaries, and outside experts.

Accordingly:

1. **Annual Cycle:** The Board's annual planning cycle will conclude each year at its last meeting before the HOD's annual meeting in April, so that administrative planning and budgeting for the next fiscal year can be focused on addressing both long and short-term Ends.
2. **Work Plan Development:** At the May meeting, the Board Chair will prepare and present for the Board's consideration and approval a suggested work plan for the following year's meetings. Considerations should include:
 - A. **Board Education:** Identification of topics that will elevate the Board's competencies, primarily of external issues and trends that impact MASI's Ends, and, to a lesser extent,

key areas of operations and governance training.

- B. Orientation/Training for New Board Members:** Per Policy 2.1.5, to include review of USA Swimming's and MASI's governance system and documents, overview of key strategic issues to be addressed early in new Board members' tenure, and operational overview. Orientation is to be conducted within three months of new Board members being seated. Board Chair will collaborate with the Governance Committee to implement specific schedule.
 - C. Linkage with Membership:** How the Board will connect with members (e.g., through surveys, focus groups, and other methods of gaining input).
 - D. Policy Review:** How the Board will systematically review its governing policies, with emphasis on Ends, over the course of the year/quadrennium (e.g., by priority, by topic, or by emphasis of the Board's choosing).
 - E. Assessment/Evaluation of ED Performance:** Reviewing the schedule of planned monitoring activities by the Personnel Committee to assure performance on *Ends/Priority Results* Policies and adherence to *Management Parameters* Policies.
 - F. Self-Assessment:** Methods and timeline for periodic evaluation of how well the Board is fulfilling its role (i.e., in accordance with *Board Process* Policies and *Board-Management Delegation* Policies) and open discussion of how the Board's performance can be improved. At least once per quad, the Board will perform a self-evaluation using a non-profit resource.
 - G. Meeting Schedule/Locations:** Confirmation of the meeting schedule for the coming year to maximize Board member attendance and participation.
 - H. Social Engagement:** To build its effectiveness as a leadership team, the Board will include periodic team building activities in conjunction with its meetings.
3. **Meeting Agendas:** The Board Chair will determine the agenda for each Board meeting, although Board members and the ED may request or recommend any appropriate matters for Board consideration.
- A.** A Board member or the ED may recommend or request a matter for Board discussion by submitting in writing the item to the Board Chair at least twenty-one (21) days prior to the regularly scheduled Board meeting.
 - B.** To ensure Board member preparation and informed participation, meeting agendas and packets (background materials for decision items on the agenda, monitoring reports, etc.) are to be received by Board members at least seven (7) days prior to the regularly scheduled Board meeting.
 - C.** Additional matters may be added to the agenda of any regularly scheduled Board meeting by the Board Chair and/or the ED, or by affirmative vote of a majority of those present.
 - D.** Meeting minutes from the prior meeting must be approved by the Board at each meeting. Minutes must document attendance for the meeting and include a summary of the discussion topics and content for the meeting. Minutes must include any Conflict-of-Interest disclosures, which will be requested by the Board Chair at the start of each meeting. Minutes must also include any recusals from discussions, votes, or the meeting (including when a Board member leaves and re-enters the meeting room or videoconference).
4. **Closed Sessions:** The Board may convene, by majority vote, in closed session whenever it deems such closed session to be in the best interest of the organization, and the closed session will be attended only by Board members and others specifically invited by the Board Chair or the Board by majority vote. Board members, staff, and other persons present shall not discuss or disclose closed session proceedings outside of the closed session without prior authorization of the Board. High-level topics discussed in closed session are to be

reflected in meeting minutes.

Policy 2.4 Board Chair's Role and Authority

Date of adoption / Last revision:



Board Process

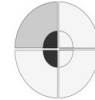
As MASI's chief governance officer, the Board Chair's primary role is to be the presiding officer, ensuring the integrity of the Board's process. The Board Chair also leads meetings of the HOD and represents the Board to outside parties.

Accordingly:

1. The Board Chair's job is to ensure that the Board acts in a manner consistent with its policies and any requirements legitimately imposed upon it from outside the organization.
 - A. Agenda content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or monitor, or to otherwise inform/educate the Board so it can best fulfill its responsibilities.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The Board Chair is authorized to make decisions consistent with *Board Process* Policies and *Board- Management Delegation* Policies, except for (a) employment/termination of the ED, or (b) decisions pertaining to matters about which the Board has specifically delegated portions of its authority to others. The Board Chair may use any reasonable interpretation of these policies.
 - A. The Board Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
 - B. The Board Chair has no authority to make decisions within the areas of *Ends/Priority Results* Policies and adherence to *Management Parameters* Policies. Therefore, as the ED is accountable to the Board as a whole, the Board Chair does not have authority to supervise or direct the ED.
 - C. The Board Chair, and/or their designee, may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to the Board Chair.
 - D. The Board Chair may delegate their authority but remains accountable for its use.
 - E. The Board Chair shall appoint all non-athlete members of Board Committees and their respective chairs unless otherwise designated in the Rules and Regulations, the Bylaws, or the Governing Policies. The Board Chair is an Ex-Officio non-voting member of all Board Committees.
3. The Board Chair will lead and participate in the Board's assessment of its own performance.
 - A. Criteria for assessment will be the Board's adherence to *Board Process* Policies and *Board-Management Delegation* Policies.
 - B. The Board will self-assess its overall performance at least once per year.
 - C. The Board will ensure that there is at least a brief assessment of each meeting prior to adjournment, identifying factors that enhanced its productivity, as well as those that would have made the meeting more successful.

Policy 2.5 Board Members' Code of Conduct

Date of adoption / Last revision:



Board Process

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

Accordingly:

1. **Duty of Care:** Board members are to discharge 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 similar circumstances.
2. **Duty of Obedience:** Board members must abide by USA Swimming's and MASI's governing documents (i.e., the Articles of Incorporation, the Bylaws, the Rules and Regulations, and the Governing Policies). While vigorous debate is expected and encouraged, Board members are obliged to 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.
3. **Duty of Loyalty:** Board members must demonstrate loyalty to the interests of MASI, superseding any conflicting loyalties, such as to segments of the membership, family members, advocacy or interest groups, affiliated entities, staff, other organizations, or any personal interests as a member of the organization.
4. Board members must avoid any conflict of interest with respect to their fiduciary responsibility and abide by the USA Swimming Statement of Ethics and Conflict of Interest Policy. (Appendix C)
5. Board members must not attempt to exercise individual authority over the organization.
 - A. Board members' interactions with the ED or with staff must recognize the lack of authority vested in individuals except when explicitly stipulated by the Board.
 - B. Board members must recognize that in their interaction with the media, the public, or other entities, they are not to speak for the ED, the Board, USA Swimming, or MASI except to repeat explicitly stated Board decisions.
 - C. Board members will not publicly express individual judgments of the performance of the ED or of other employees, other than when participating in the Board's monitoring functions.
6. Board members will treat one another and staff members with respect, courtesy, and honesty.
7. Board members must respect the confidentiality appropriate to issues of a sensitive nature.
8. A Board member aware of credible information that suggests that a Board policy has been violated, by the Board, a Board member, or the ED, has an affirmative obligation to bring the concern to the Board Chair. If the Board Chair is the subject of the concern, it should be brought to the Board's Administrative Vice-Chair. If the ED or a staff member is the subject of the concern, the Board will refer to its process in Policy 4.4 *Monitoring ED Performance*.
9. If a Board member is alleged to have violated the Governing Policies:
 - A. The Board Chair (or Board's Administrative Vice-Chair, if the Board Chair is the subject of the concern) will have an informal discussion with the individual whose action(s) are questioned. If this is not successful in resolving the concern, then:
 - B. The Board Chair will put the issue on the agenda for closed session. The respondent Board member will be allowed to present their views prior to the Board determining whether the action violated the Governing Policies.

- C. A Board member found by the Board (by majority vote) to have violated the Governing Policies may be subject to subsequent censure or other Board action, as long as consistent with the Bylaws.

Policy 2.6 Board Members' Individual Responsibilities

Date of adoption / Last revision:



Board Process

Board member engagement and participation is integral to the Board's leadership. Therefore, each Board member is expected to fulfill the following responsibilities:

1. **Commitment:** Board members are expected to, upon appointment or election to the Board and annually, sign a Letter of Commitment indicating that they have reviewed and commit to abide by the Articles of Incorporation, the Bylaws, future Board resolutions, the Rules and Regulations, including the Code of Conduct, and the Governing Policies.
2. **Attendance:** Board members are expected to attend Board meetings on a regular and punctual basis. Absence from more than one of the regularly scheduled meetings in the Board's annual planning cycle will constitute that member's resignation from the Board. The annual planning cycle starts upon adjournment of the HOD annual meeting.
 - A. In case of extenuating circumstances, a Board member may request a waiver to this provision. Waivers may be granted by vote of the Board or at the discretion of the Board Chair. In the latter case, the Board Chair shall inform the Board of such waiver.
3. **Preparation and Participation:** Board members are expected to review agenda materials in advance of Board and committee meetings and to participate productively in discussions.
4. **Stewardship:** Board members are expected to be alert to the concerns of the LSC membership that can be addressed through MASI's mission and Ends.
5. **Responsiveness:** Board members will be attentive to Board communications and respond promptly to staff and Board member requests for feedback.
6. **ED Relationship:** The ED is accountable to the Board as a whole and not to individual Board members. Therefore, the relationship between the ED and individual members of the Board, including the Board Chair, is collegial and not hierarchical.
7. **Volunteerism:** Board members may individually volunteer in operational capacities. In such situations, they are subject to the direct supervision of the ED or responsible staff person.
8. **Members in Good Standing:** As Board members are recognized representatives of USA Swimming and MASI, they are expected to remain in good standing within the sport and their respective communities.
9. **Participation in Organizational Activities:** Board members (i) must attend the annual meeting of the MASI HOD, (ii) are encouraged to promote and support the activities of MASI, Eastern Zone Swimming, USA Swimming, the USA Swimming Foundation; and (iii) attend local, regional and USA Swimming National Workshops.

Policy 2.7 Board Committee Principles

Date of adoption / Last revision:



Board Process

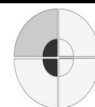
The Board may establish additional Committees to supplement the Standing Committees that are set forth in the Bylaws, to help the Board be more effective and/or efficient in its work. Additional Committees and Standing Committees are collectively referred to as “Committees” in the Governing Policies. Committees are not to interfere with the Board’s delegation of authority to the ED or the ED’s delegation of authority to other staff.

Accordingly:

1. Committees are to help the Board do its job, not to help, advise, or exercise authority over staff.
2. Committees will ordinarily undertake activities not delegated to the ED, such as by preparing policy alternatives and implications for Board consideration or performing specific monitoring functions.
3. Committees may only speak or act for the Board when formally given such authority for specific and/or time-limited purposes. Expectations and authority will be carefully stated in Policy 2.8 *Board Committee Structure* in order not to conflict with authority delegated to the ED.
4. As the ED works for the full Board, they will not be required to seek approval of a Committee before taking action.
5. The composition of each Committee, as well as the number and purpose of committees, is to be evaluated no less than every even year to assure continuity and relevance. Unless otherwise stated in Policy 2.8 *Committee Structure*, appointments to Committees will take place after the first Board meeting following the annual HOD meeting.
6. This Policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether it includes Board members. This policy does not apply to committees formed under the authority of the ED. Working groups and task forces may be established by the Board or the Board Chair.
7. Unless specifically authorized by the Board, a Committee may not make any commitment of organizational resources or funds other than funding provided through HOD approved budget.

Policy 2.8 Committee Structure

Date of adoption / Last revision:



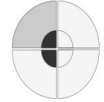
Board Process

Committees are those established by and with authority emanating from the Board or as designated the USA Swimming Rules and Regulations, regardless of whether composition includes non-Board members, the MASI By-Laws and MASI Policy. Unless otherwise specified, the ED or their staff designee will serve as a non-voting member and resource/liaison for each Board committee. The ED or their staff designee will attend all committee meetings, including closed sessions.

The Board shall ensure that all Committees will be administered in accordance with the MASI Bylaws.

Policy 2.9 Board Nominations and Elections

Date of adoption / Last revision:



Board Process

The Board shall ensure that the nominations and elections process is administered in accordance with the MASI Bylaws.

Policy 2.10 Budgeting for Board Prerogatives

Date of adoption / Last revision:



Board Process

The Board will consciously invest in its ability to govern effectively. Accordingly:

1. The Board will allocate resources to ensure that it has sufficient skills, methods, and supports to assure excellence in its leadership.
 - A. Training will be used appropriately to orient new Board members and to increase existing Board members' skills and knowledge.
 - B. Outside monitoring, including fiscal audit, will be arranged as needed to help the Board have confidence that organizational performance meets expectations, as stated in these Governing Policies. This includes, but is not limited to, audits, reviews, or opinions on fiscal, legal, or governance matters.
 - C. Effective communications will be used as needed to ensure the Board understands MASI members' and public viewpoints and values.
2. Costs will be prudently incurred, but sufficient to ensure the development and provision of superior governance. Annual governance prerogatives to be considered include costs for:
 - A. Board member reimbursements for authorized attendance at conferences, workshops, etc.
 - B. Board training (governance consulting, publications, etc.).
 - C. Fiscal audit and other third-party monitoring of organizational performance.
 - D. Opinion surveys, focus groups, and other membership linkage activities.
 - E. Committee functions.
 - F. Board meeting technology/software platform.
3. The Board will communicate its prerogatives for the next fiscal year each year in a manner that allows for said prerogatives to be incorporated into the overall MASI budget prepared by staff for presentation to the HOD.

Policy 3.0 General Management Constraint

Date of adoption / Last revision:



Management Parameters

The ED will not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, in violation of commonly accepted business and professional ethics and practices, or inconsistent with the MASI Bylaws, USOPC's Bylaws or USA Swimming's Rules and Regulations.

Policy 3.1 Treatment of Members/Customers

Date of adoption / Last revision:



Management Parameters

With respect to interactions with members/customers, the ED will not cause or allow conditions or procedures which are unfair, unsafe, untimely, unresponsive, or undignified, or which fail to provide appropriate confidentiality.

Further, the ED will not:

1. Collect, review, transmit, store, or destroy member/customer data without protecting against improper access to that information.
2. Operate without clearly conveying to members/customers what may be expected from the MASI programs and services offered.
3. Operate without exhibiting operational and financial transparency. Pertaining to members, operate without conveying applicable USA Swimming Code of Conduct expectations of members, including, but not limited, to it being the policy of USA Swimming that its members, including athletes, coaches, officials, and volunteers have the right to participate and compete in an environment that is safe and free from sexual abuse and harassment.
4. Operating without ensuring that athlete safety rules, policies, and procedures comply with the requirements of the USOPC, and the U.S. Center for SafeSport.
5. Operate without enforcing the USA Swimming Code of Conduct.

Policy 3.2 External Relations

Date of adoption / Last revision:



Management Parameters

With respect to MASI's interactions with other entities, the ED will not ignore cultivating and maintaining leadership level relationships with all relevant local, regional, national and international organizations, including but not limited to: the USA Swimming, the Eastern Zone, the American Swim Coaches Association, the College Swimming & Diving Coaches Association of America, etc..

Policy 3.3 Treatment of Employees and Volunteers

Date of adoption / Last revision:



Management Parameters

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

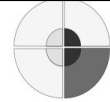
Pertaining to employees, the ED will not:

1. Operate without ensuring employees are provided with written personnel policies, reviewed by qualified legal counsel, which clarify personnel rules for employees and provide for effective handling of complaints/grievances.
 - A. Allow employees to be unaware of the Governing Policies including, but not limited to, this Policy 3.3 *Treatment of Employees and Volunteers*, along with the ED's interpretations of staff's protections under this Policy.
2. Allow employees to be unprepared to deal with reasonably foreseeable emergency situations.

3. Retaliate or allow retaliation against an employee for non-disruptive, internal expression of dissent, or for reporting to management or to the Board (per the processes for handling of grievances in the Employee Handbook or policies) acts or omissions by MASI personnel, management, or the Board that the employee believes, in good faith and based on credible information, constitute a violation of state or federal law or the Governing Policies.
 - A. Prevent employees from grieving to the Board when (a) internal grievance procedures outlined in the MASI Employee Handbook have been exhausted and (b) the employee alleges that the Governing Policies have been violated.
4. Per the Ted Stevens Olympic & Amateur Sports Act, the ED will not allow any individual who is an employee, contractor, or agent of MASI to assist a member or former member in obtaining a new job, if that individual knows that such member or former member violated the policies or procedures of the U.S. Center for SafeSport related to sexual misconduct or was convicted of a crime involving sexual misconduct with a minor in violation of applicable law. This prohibition is in addition to any restrictions set for in the MASI Employee Handbook.

Policy 3.4 Financial Condition and Activities

Date of adoption / Last revision:



Management Parameters

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

Further, the ED will not:

1. Manage finances without adherence to applicable Generally Accepted Accounting Principles.
2. Expend more funds than have been projected to be received in the fiscal year, except up to the amount of any Board-approved operating deficit for such fiscal year.
3. Allow cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 30-day period.
4. Borrow funds (with exception of credit cards used for normal business purposes paid in full each month).
5. Operate without settling payroll obligations and payables in a timely manner.
6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
7. Acquire, encumber, lease, or dispose of real property.
8. Operate without aggressively pursuing material receivables after a reasonable grace period.
9. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.
 - A. Operate without clearly delineated procedures and limitations for payment/reimbursement of authorized expenses incurred by Board members and committee members, and others who are entitled to reimbursement from MASI.
 - B. ED credit card statements and/or expense reimbursements must be readily available for review by the Finance Vice-Chair.

Policy 3.5 Asset Protection

Date of adoption / Last revision:



Management Parameters

The ED will not cause or allow MASI's assets to be unprotected, inadequately maintained, or unnecessarily risked.

Further, the ED will not:

1. Allow MASI to be without sufficient insurance coverage, such as:
 - A. Casualty losses and property losses.
 - B. Liability losses to Board members, staff, and the organization itself in an amount equal to or greater than the average for comparable organizations.
 - C. Employee theft and dishonesty.
2. Subject MASI's facilities and equipment to improper wear and tear or insufficient maintenance.
3. Operate without employing risk management practices to minimize exposure of the organization, the Board, staff, or their agents to claims of liability.
4. Allow procurements without reasonable protection against conflicts of interest.
5. Allow MASI's intellectual property, information, resources, and files to be exposed to loss, improper access, misuse, or significant damage.
6. Operate without adhering to an approved Records Retention Schedule for the maintenance of documents and records.
7. Operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's recommendations.
8. Compromise the independence and transparency of the Board's relationships with auditors or other providers of governance support. Such entities may be engaged by the ED unless explicitly prohibited by the Board.
9. Invest operating capital or reserve funds in a manner inconsistent with the Investment Policy.
10. Endanger MASI's public image or credibility.
11. Substantially alter the organization's corporate identity.

Policy 3.6 Financial Planning and Budgeting

Date of adoption / Last revision:



Management Parameters

Financial planning for any fiscal year, or the remaining part of any fiscal year will not deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to address multi-year planning needs and considerations. Additionally, the Board is responsible for review and approval of financial statements and financial control policies.

Accordingly, the ED will not allow budgeting that:

1. Risks incurring those liquidity situations or conditions described as unacceptable in Policy 3.4 *Financial Conditions and Activities*.

2. Omits credible projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.
3. Omits allocation for Board activities per the Budgeting for *Board Process Policies*.

Policy 3.7 Compensation and Benefits

Date of adoption / Last revision:



Management Parameters

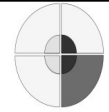
With respect to employment, compensation, and benefits for employees, consultants, contractors, or volunteers, the ED will not cause or allow jeopardy to MASI's fiscal integrity or public image.

The ED will not:

1. Establish salaries and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
2. Change their own compensation.
3. Change their own benefits, except as consistent with the package for all other employees.
4. Promise or imply anything other than "at-will" employment.
5. Create obligations to consultants or contract vendors that are not consistent with annual budget plans.
6. Establish or change retirement benefits that would cause situations that deviate from organizational plans or inequitable for employees.

Policy 3.8 Emergency Management Succession

Date of adoption / Last revision:



Management Parameters

The ED will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.

Further, the ED will not:

1. Have less than 1 member of the management team sufficiently familiar with Board and ED issues and processes to enable either member to take over with reasonable proficiency as an interim successor.

Policy 3.9 Board Awareness and Support

Date of adoption / Last revision:



Management Parameters

The ED will not cause or allow the Board to be uninformed or unsupported in its work. The ED will not:

1. Withhold, impede, or confound information necessary for the Board's informed accomplishment of its job. Specifically:
 - A. Neglect to submit monitoring reports required by the Board (see Policy 4.4 *Monitoring CEO Performance*) in a timely, accurate, and understandable fashion.

- B. Let the Board be unaware of any actual or anticipated noncompliance with *Ends/Priority Results* Policies and adherence to *Management Parameters* Policies, regardless of the monitoring schedule set forth by the Board.
 - C. Let the Board be without objective background/decision information it periodically requests, or unaware of relevant trends or incidental information (e.g., anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal/organizational changes). Notification of planned internal changes is to be provided in advance, when feasible.
 - D. Let the Board be unaware of any Board or Board member actions that, in the CEO's opinion, are not consistent with *Board Process* Policies and *Board-Management Delegation* Policies particularly in the case of Board or Board member behavior that is detrimental to the working relationship between the Board and the ED.
- 2. Present information in unnecessarily complex or lengthy form.
 - 3. Allow the Board to be without logistical and administrative support for official Board, officer, or committee communications and functions.
 - 4. Interact with the Board in a way that favors or privileges certain Board members over others except when:
 - A. Fulfilling individual requests for information, or
 - B. Responding to officers or committees duly charged by the Board.

Policy 4.0 Board/Management Connection

Date of adoption / Last revision:

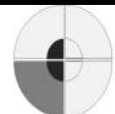


Board/Management Delegation

The Board's official connection to the organizations operations, its achievements, and its conduct is through the ED.

Policy 4.1 Unity of Control

Date of adoption / Last revision:



Board/Management Delegation

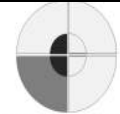
The Board acts with one voice in establishing expectations of the ED.

Accordingly:

- 1. No single Board member, officer, or committee has the authority to establish, change or impose expectations over the ED, or any member of the ED's staff, except in rare instances when the Board has explicitly authorized a Board member, officer, or committee to use staff resources for a specific issue.
- 2. Board members and committees may request information, but if such request—in the ED's judgment—requires a material amount of staff time or funds or is disruptive, it may be declined. The committee or Board member may then refer the request to the full Board for consideration.

Policy 4.2 Accountability of the ED

Date of adoption / Last revision:



Board/Management Delegation

All Board authority delegated to management of the organization is delegated through the ED. Therefore, the authority and accountability of staff, as far as the Board is concerned, is the authority and accountability of the ED.

Accordingly:

1. The Board will not give instructions to any staff other than the ED (without consent of the ED).
2. The Board will not evaluate, either formally or informally, any staff other than the ED.
3. The Board will consider and evaluate ED performance as synonymous with organizational achievement of Ends and compliance with *Management Parameters* Policies. No performance measure established by the Board or a subset of the Board shall conflict with or modify this measure of performance.
4. Consequently, the ED's accountability and evaluation will be based on performance in two areas:
 - A. Organizational achievement of *Ends/Priority Results* Policies.
 - B. Organizational operations within the parameters of legality, prudence, and ethics established in *Management Parameters* Policies.

Policy 4.3 Delegation to the ED

Date of adoption / Last revision:



Board/Management Delegation

The Board will direct the ED through written policies setting forth the organizational Ends to be achieved and organizational situations/actions to be avoided, allowing the ED to use any reasonable interpretation of these policies.

Accordingly:

1. *Ends/Priority Results* Policies direct the ED to achieve certain results, for certain recipients at a specified worth or priority. These policies will be systematically developed from the broadest level, to more defined levels.
2. *Management Parameters* Policies define the boundaries of legality, prudence, and ethics within which the ED is free to operate. These policies describe the practices, activities, decisions, and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. Management Parameters will also be systematically developed from the broadest, most general level to more defined levels. To ensure accountability for performance, the Board will not prescribe organizational means delegated to the ED.
3. The ED is authorized to establish further policies, make decisions, take actions, establish practices, and develop activities, as long as they are consistent with any reasonable interpretation of *Ends/Priority Results* Policies and *Management Parameters* Policies.
4. The Board may change *Ends/Priority Results* Policies and *Management Parameters* Policies. However, as long as any particular policy delegation is in place, the Board will

respect and publicly support decisions made by the ED that are consistent with reasonably interpreted Board policy.

Policy 4.4 Monitoring ED Performance within Policies

Date of adoption / Last revision:



Board/Management Delegation

The Board, specifically through the Personnel Committee, will systematically monitor ED job performance, determining the extent to which Ends are being achieved and whether operational activities fall within boundaries established in *Management Parameters* Policies.

Accordingly:

1. Monitoring is simply to determine the degree to which the Governing Policies are being met. Information that does not address accomplishment of Ends and compliance with Management Parameters will not be considered in the Board's evaluation of ED performance.
2. *Ends/Priority Results* Policies and *Management Parameters* Policies may be monitored by one or more of three methods:
 - A. Internal Reports: The ED discloses in writing their policy interpretations, along with data supporting their assessment of accomplishment of, or compliance with, the Policy under review. As appropriate in a given context, the ED may present information supporting the "reasonableness" of their interpretation.
 - B. External Reports: An external, disinterested third party selected by and reporting to the Board assesses accomplishment of, or compliance with, the Governing Policies, as reasonably interpreted by the ED.
 - C. Direct Board Inspections: A designated Board member(s) or committee assesses ED compliance with a given policy, as reasonably interpreted by the ED.
3. In every case, the Board is committed to accepting any reasonable ED interpretation of the Board Policy being monitored. The Board is the judge of reasonableness and will always use the "reasonable person" test (whether what the ED did was what a reasonably prudent executive would do in that context), even if those choices differ from those the Board or any of its members may have made.
4. In every case, the Board will judge whether:
 - A. The ED's interpretation is reasonable, and
 - B. Data demonstrates reasonable accomplishment of, or compliance with, the ED's interpretation.
5. Interpretations determined by the Board not to be reasonable, or data determined not to demonstrate reasonable accomplishment of, or compliance with, a Board Policy as interpreted, will be subject to a remedial process agreed to by the Board. *Such discussions will be in closed session.*
6. All Policies instructing the ED 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 a mutually agreed upon schedule.

Policy 4.5 Board Access to Comptroller in Internal Auditor Capacity



Board/Management Delegation

Direct but limited access to the Board by the Comptroller, in an internal auditor capacity, is an exception to the exclusive role of the ED in connecting governance and management.

Accordingly:

1. If, after having brought to the ED's attention any financial impropriety discovered in the course of their own work, the Comptroller feels that the ED has failed to address the impropriety, the Comptroller must report that impropriety to the Finance Vice-Chair and to the General Chair.
2. Impropriety in this context means a material deficiency in financial management or a violation of the Governing Policies regarding financial affairs of MASI.
3. Nothing in this Policy impedes the ED from exercising their Board-granted prerogative to interpret applicable Board policies under the "reasonable interpretation" rule, nor does it remove from the Board the right to judge reasonableness. However, *impropriety* as used above can indicate that in the opinion of the Comptroller as an internal auditor, an interpretation made by the ED is not "reasonable."
4. The Comptroller is in all other ways subject to the ED's managerial authority, as are all other employees, and has no direct access to the Board except as described in this Policy. The ED may not impede the Comptroller's official access as an "internal auditor" as described in this Policy, or seek to inappropriately influence the content of the Comptroller's reporting to the Board as set forth in this Policy.
5. Nothing in this Policy shall be deemed to limit or prohibit the Board from hiring external or internal auditors who report to the Board or any audit or other committees established by the Board for such purposes.

Appendix A. Governing Principles

To ensure a design of its work that provides for systematic role clarity and accountability for both the Board and the operating organization, the Board acts and makes its governing decisions based on the following Governance Principles:

1. **Ownership:** The Board's authority is derived from, and its accountability is connected to, the membership, the USOPC, and the American public, standing in a position corresponding to shareholders in an equity corporation.
2. **Governance Purpose:** With the membership, the USOPC, and the American public above it and USA Swimming operations below it, the Board's governance role is to exercise its authority and properly empower others rather than to be management's consultant, substitute, or adversary.
3. **"One Voice":** The Board makes authoritative decisions directed toward management and toward itself, its individual members, and its committees, only as a total group, and it speaks to the public with one voice. The Board's authority, therefore, is group authority rather than a summation of individual authorities.
4. **Ends Policies:** The Board defines in writing the strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients, and their relative worth (what results, for which recipients, at what cost/priority). These are not all the possible "side benefits" that may occur, but *those that form the purpose of Middle Atlantic Swimming, the achievement of which constitutes organizational success.*
5. **Board Means Policies:** The Board defines in writing those values-added behaviors, practices, disciplines, and conduct of the Board itself, and of its delegation/accountability relationship with the ED. These decisions are categorized as *Board Process Policies* and *Board-Management Delegation Policies*.
6. **Management Parameters Policies:** The Board makes decisions with respect to management decisions and actions only in a proscriptive way in order to simultaneously (a) avoid prescribing means (how can it hold staff accountable for results if the Board has mandated the processes by which they are to be achieved?) and (b) put off limits those decisions or circumstances that would be unacceptable even if they work.
7. **Policy "Sizes":** The Board's policy decisions are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, one articulated level at a time.
8. **Delegation to Management:** The Board honors the exclusive authority/accountability of the ED's role as the sole official connection between governance and management.
9. **Any Reasonable Interpretation:** In delegating further decisions – beyond those recorded in board policies – the Board grants the ED the right to use any reasonable interpretation of *Ends/Priority Results Policies* and *Management Parameters Policies*. With regard to *Board Process Policies* and *Board-Management Delegation Policies*, the Chair is granted such authority, except when the Board has explicitly designated another Board member or party (e.g., committee or task force)
10. **Monitoring:** The Board monitors organizational performance through fair but systematic assessment of whether a reasonable interpretation of *Ends/Priority Results Policies* are being achieved and a reasonable interpretation of *Management Parameters Policies* is being complied with. This constitutes the basis of the CEO's evaluation.