

# **LAKE KIOWA PROPERTY OWNERS ASSOCIATION, INC. (LKPOA)**

## **BOARD OF DIRECTOR GOVERNANCE POLICY**

Approved May 16, 2005

### **1.0 General Responsibilities**

The Board's responsibility is to govern the affairs of the corporation within the framework of relevant legislation and the approved Covenants and Bylaws. The Board of Directors, elected representatives of the LKPOA membership and the community, is given the legal corporate authority and responsibility for the achievement of the organization's mission, for its stability and the maintenance of the community's assets. It is responsible for ensuring that it has adequate information to monitor major areas of corporate performance.

#### **1.1 Authority and Accountability**

The Board as a whole is responsible to the membership who provide funds for the operation of the LKPOA. The Board is also accountable to exercise good stewardship on behalf of the trust placed in it by the property owners, membership, lessee, staff and volunteers.

Individual members are elected and/or appointed under the authority of the Bylaws and are responsible to the members of the LKPOA. However, they have no authority to act or give direction individually other than in such manner as is approved in the governing documents or by resolution of the Board. The Board may delegate authority to an individual Director or officer or employee or member of a committee; however, the Board retains ultimate responsibility and accountability.

The Board will account to the LKPOA members through annual and periodic reports on the activities and finances of the Association, annual audited financial statements, providing access to minutes of Board meetings (except executive session portions), receiving presentations from and consulting with the membership and generally operating in an open and transparent manner.

#### **1.2 Major Duties of the Board**

- Oversee development and approval of a long-term corporate plan and approve annual budgets and operating plans;
- Define and/or safeguard the organizational mission, values and operating principles within which it expects the LKPOA to be administered and to review these periodically;
- Govern the LKPOA through broad policies and planning objectives approved by the Board, formulated with the Community Manager and staff, and reviewed periodically;
- Select and support a Community Manager to whom the responsibility for administration of the Association is delegated;
- Review and evaluate regularly the performance of the Community Manager on the basis of a specific job description and approved objectives;
- Seek and secure sufficient resources for the LKPOA to finance its programs adequately;

- Account to the membership for the services of the LKPOA and expenditures of funds;
- Ensure prudent and proper management of the LKPOA resources;
- Establish the general framework in which the LKPOA human resources will be managed and periodically monitor key human resource performance indicators;
- Approve and periodically review personnel policies with which human resources will be managed;
- Set guidelines within which management may establish pay and benefits for staff;
- Regularly review the Association's services to ensure that they are consistent with the purpose of the LKPOA and that its programs are effective and relevant to community needs;
- Represent the LKPOA and its programs through interpretation to the community;
- Serve as an advocate for services of good quality;
- Hear complaints from property owners and membership about services or functions through a formal procedure.

### **1.3 Due Diligence – Responsibilities of Individual Board Members**

Each Board member is expected to become an active participant in a body that functions effectively as a whole. In addition to assisting in the exercise of the major duties of the Board outlined above, members are responsible to exercise due diligence in the performance of their duties. They are responsible to:

- Be informed of the articles of incorporation and legislation under which the LKPOA exists, its covenants, bylaws, rules and procedures, mission, values, code of conduct, and policies as they pertain to the duties of a Board member.
- Keep generally informed about the activities of the LKPOA and the community, and general trends in community association legislation and operations.
- Attend Board meetings regularly, serve on committees of the Board and contribute from personal, professional and life experience to the work of the Board.
- Exercise the same degree of care, diligence and skill that a reasonably prudent person would show in comparable circumstances.
- Offer their personal perspectives and opinions on issues that are the subject of Board discussion and decision.
- Voice, clearly and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board.
- Maintain solidarity with fellow directors in support of a decision that has been made in good faith in a legally constituted meeting, by directors in reasonably full possession of the facts.
- Ask the directors to review a decision, if he/she has reasonable grounds to believe that the Board has acted without full information or in a manner inconsistent with its fiduciary obligations, and, if still not satisfied after such review, ask that the matter be placed before the membership.
- Work with the staff of the LKPOA on committees or task forces of the Board.
- Know and respect the distinction in the roles of Board and staff consistent with the principles underlying these governance rules.

- Exercise vigilance for and declare any apparent or real conflict of interest with the LKPOA covenants, bylaws, rules and procedures and the governance policies.

#### **1.4 Oath of Office and Confidentiality**

Respect for confidentiality is the cornerstone of trust and confidence as well as a legislated obligation. Board members must at all times respect the confidentiality of any names and/or circumstances that might identify property owners, members or other individuals. Similarly, all matters dealt with by the Board during executive session meetings and matters related to personnel must be held in strictest confidence. Confidentiality means Directors may not relate such matters to anyone including immediate family members. The duty of confidentiality continues indefinitely after a Director has left the Board.

Board members shall agree to an Oath of Office and Confidentiality Agreement upon joining the Board of Directors.

#### **OATH OF OFFICE AND CONFIDENTIALITY AGREEMENT**

I, \_\_\_\_\_, a duly elected director of the Lake Kiowa Property Owners Association, Inc. (LKPOA), declare that, in carrying out my duties as a director, I will:

- Exercise the powers of my office and fulfill my responsibilities in good faith and in the best interests of the LKPOA.
- Exercise these responsibilities, at all times, with due diligence, care and skill in a reasonable and prudent manner.
- Respect and support the LKPOA Covenants, Bylaws, Procedures and Rules and decisions of the Board and membership.
- Keep confidential all information that I learn about owners, lessees, personnel, and any other matters specifically determined by board to be matters of confidence including matters dealt with during executive sessions of the Board.
- Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board and subordinate my personal interests to the best interests of the LKPOA.
- Immediately declare any personal conflict of interest that may come to my attention.
- Immediately resign my position as a director of the LKPOA in the event I have breached my 'Oath of Office'.

*Signature* \_\_\_\_\_

*Date* \_\_\_\_\_

#### **1.5 Code of Conduct**

Board members are expected to comply with the prescribed Code of Conduct that encourages the development of a spirit of collective decision making, shared objectives and respect for Board

decisions. The Code of Conduct is a succinct statement of essential principles intended to govern the conduct of the Board and staff of the organization.

## **CODE OF CONDUCT**

Board members and staff of the Lake Kiowa Property Owners Association, Inc. (LKPOA) will at all times conduct themselves in a manner that:

- Supports the objectives of the LKPOA
- Serves the overall best interests of the LKPOA rather than any particular constituency
- Brings creditability and good will to the LKPOA
- Respects principles of fair play and due process
- Demonstrates respect for individuals in all manifestations of their cultural diversity and life circumstances
- Respects and gives fair consideration to diverse and opposing viewpoints
- Demonstrates due diligence and dedication in preparation for and attendance at meetings, special events and all other activities on behalf of the LKPOA
- Demonstrates good faith, prudent judgment, honesty, and openness in their activities on behalf of the LKPOA
- Ensures that the financial affairs of the LKPOA are conducted in a responsible manner with due regard for their fiduciary responsibilities and public trusteeship
- Avoids real, potential or perceived conflicts of interest
- Conforms with the Covenants, Bylaws, Procedures and Rules and policies approved by the Board, in particular this Code of Conduct, the Oath of Office and Confidentiality and Conflict of Interest policies

### **1.6 Conflict of Interest Policy**

Members of the Board of Directors shall act at all times in the best interest of the LKPOA rather than particular interests or constituencies. This means setting aside personal self-interest and performing their duties in the affairs of the LKPOA in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board. Members of the Board shall serve without remuneration. No director shall directly or indirectly receive any profit from his/her position as such, provided that directors may be paid reasonable expenses incurred by them in the performance of their duties. The pecuniary interests of immediate family members or close personal or business associates of a director are considered to also be the pecuniary interests of the director.

#### **1.6.1 Definition of Conflict of Interest**

- Board members are considered to be in a “conflict of interest” whenever they themselves, or members of their family, business partners or close personal associates, may

personally benefit either directly or indirectly, financially or otherwise, from their position on the Board.

- A conflict of interest may be “real”, “potential” or “perceived”; the same duty to disclose applies to each.
- Full disclosure in itself, does not remove a conflict of interest.

### **1.6.2 Principles for Dealing With Conflict of Interest**

- The Board member must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the board or its committee members deal with the manner at issue.
- If the Board member is not certain he/she is in a conflict of interest position, the matter may be brought before the President of the Board for advice and guidance.
- If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by vote if a conflict exists. The person potentially in conflict shall be absent from the discussion and vote.
- It is the responsibility of other Board members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Board member to raise the issue for clarification, first with the Board member and, if still unresolved, with the Board President.
- The Board member under question of conflict must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.
- The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting. The time the member left and returned to the meeting shall also be recorded.

### **1.6.3 Examples of Conflict of Interest**

- Any circumstance that may result in a personal or financial benefit to a director or his family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to the LKPOA, including contracted work or honoraria; accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.
- Personal interests which conflict with the interests of the membership or are otherwise adverse to the interests of the LKPOA;
- Seeking, accepting or receiving any personal benefit from a supplier, vendor, or any individual or organization doing or seeking business with the LKPOA;
- Being a member of the board or staff of another organization which might have material interests that conflict with the interests of the LKPOA or the membership; and, dealing with matters on one Board which might materially affect the other Board;
- Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate or friend of the director;

- Individuals who serve as directors on the same board with members of their family or others with whom they have a direct business or personal relationship will be subject to an immediate perception of apparent conflict of interest.

### **1.7 Disposition of Complaints and Disputes Involving Directors**

- The Board of Directors, in a meeting duly called for the purpose, shall review any complaints that a director has violated any provision of the Corporation's Covenants, Bylaws, Governance Policies, Oath of Office and Confidentiality Agreement, or Code of Conduct.
- The Board of Directors shall similarly review any disputes between members of the Board that interfere with the ability of the Board to carry on its business.
- Complaints of a grave nature may be referred to an independent arbiter.
- Allegations of illegal activity shall be immediately referred to police, child welfare or other appropriate authorities for investigation. Any director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation.
- The review of such complaints or disputes shall include an opportunity for the members concerned to present their positions. Board of Director members who originate or are the subject of such complaints or disputes must declare their conflict and absent themselves from such meetings.
- Every attempt should be made to resolve such matters expeditiously and fairly.
- The recommendations regarding resolution of such matters shall be brought to the Board for approval.
- The ruling of the Board shall be final. Should a member refuse to abide by the ruling, the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure by the President of the Board, suspension or a request for the member's resignation.