

CVB Board Policy Handbook – Working Document 9_2023

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Code of Ethics/Conduct Policy
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Intro: General Description of Board of Directors

The CVB is a regional tourism organization whose mission is providing resources, marketing, and leading strategic cooperation with other organizations. CVB fosters excellent visitor experiences, positioning our region as a destination community.

The CVB's vision is to be the premiere tourism marketing organization developing the greater Wausau Region as an outstanding destination.

The Board of Directors of the CVB is fundamentally responsible to provide oversight on the fulfillment of the organization's mission to the region. The Board sets policy and direction, provides financial oversight, and supports the generation of adequate resources to carry out its mission.

This Policy Handbook serves to facilitate active and accountable governance of CVB, as well as compliance of all applicable legal requirements.

CVB is governed by a comprehensive set of by-laws, which are reviewed annually by the Board of Directors for effective governance and compliance to relevant law. This handbook serves as a guide for implementation of the Bylaws, as well as a handbook for Board practice and function. The handbook regularizes best practices for continuity and succession planning for Board and executive leadership, and serves as a guide for new Board member orientation.

The Board of Directors shall create a working group who will review the Bylaws and this Board Policy Handbook annually. The working group will review and recommend any appropriate changes related to: legal and regulatory requirements, changes in board governance, and to maintain best practice standards in October of each year during a special meeting. Any and all changes shall be communicated to the Board of Directors within a reasonable time for the Board of Directors to review and approve at their November meeting. If there is a conflict or inconsistency between the Bylaws and the Board Policy Handbook, the provision of Bylaws shall supersede the Handbook.

Role and Function of Board of Directors

The Board of Directors leads the CVB in fulfilling its mission of providing resources, marketing, and leading strategic cooperation with other organizations, and fosters excellent visitor experiences, positioning our region as a destination community.

Composed of leaders from municipalities in contract with the CVB, lodging & tourism organizations, and at-large members who have a vested interest in the CVBs mission, board members bring their unique perspective on economic, business, visitor, resident, policy and philanthropic trends to drive CVBs strategy and development. Board members also give their unique professional skills to provide technical assistance to CVB; advise staff on legal and compliance issues, business development, policy development and work directly with CVB community clients.

Board members should be enthusiastic supporters of CVB, making connections and introductions to generate financial support, partnerships, job opportunities, and new leadership within their businesses, municipalities, professional and personal networks.

The Board of Directors collaborates closely with CVB's management team. The Board holds and exercises all corporate powers, either directly or indirectly through the authority granted to administrative or standing committees. These committees operate in accordance with the Bylaws and possess the Board's delegated authority, but remain under the Board's overarching guidance. Project committees, in contrast, do not wield the Board's authority. Their role is limited to advising the Board through recommendations and supporting the Board in fulfilling its duties.

The Board of Directors has the fundamental responsibility of overseeing CVBs fulfillment of its mission to the community. To this end, the Board sets direction for the organization, provides financial oversight, establishes policy, and ensures the CVB's resources for carrying out its mission.

Board of Director Expectations

- Embrace, articulate and promote the CVB mission; vision and outcomes.
- Make generous personal contributions to CVB, securing business, non-profit and municipal support that benefits the CVB.
- Fully understand CVB programs, budgets, and financial statements.
- Serve as an advocate and ambassador for CVB in regards to funding, employment opportunities, community relations, and new partnership and program development.
- Fully participate in board meetings and strategy sessions. The minimum number of meetings over one year shall be five.
- Promote and participate in CVB initiatives and events on a regular basis.

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- Participate in at least one board committee, through active attendance, preparation, timely and substantive questions and analysis, and special projects and tasks.
- Provide technical assistance to CVB staff in areas of professional expertise.
- Comply with all Board Bylaws, code of ethics and guidelines set by public funding sources and state accreditations.

Core Functions of the Board of Directors

Strategic Planning and performance evaluation

The Board of Directors engages in a regular strategic planning process which analyzes economic, demographic, and policy trends and develops strategies that hone and deepen CVBs impact. The Board works with staff to evaluate program performance and continually improve service performance and impact.

Fiscal Oversight

The Board ensures that resources are managed in a fiscally sound and responsible manner. The Board establishes and monitors the CVBs annual budget, sets financial and personnel policies, reviews financial performance, engages auditors, and establishes investment policies.

Selection and support of Executive Leadership

The Board selects the Executive Director and evaluates executive leadership with continuous informal feedback and formal annual evaluations. The Board supports a strong executive leadership team to ensure CVB services and operational success and plans for executive transition through long-range and emergency succession planning.

Board Development

The Board of Directors works to ensure a committed, dynamic, diverse and effective board of directors. This is done by active recruitment and cultivation of individuals with the skills and connections CVB needs. The Board provides information and training to develop and inspire members, as well as to assess its own performance and the participation of individual board members regularly.

Nomination and Election of Directors of the Board

Number of Board Members and Summary of Board Terms

The CVB Bylaws authorize a minimum of three (3) and a maximum of eighteen (18) Directors. Members of the Board of Directors shall be elected for a two (2) year term. The Board is prohibited from seating anyone personally compensated by CVB for services rendered within the previous 12 months or any brother, sister, spouse or relative-in-law of such person.

On an annual basis, a working group appointed by the Board of Directors, cooperating with the Secretary shall evaluate the skills and affiliations needed by the Board for the following fiscal year, after determining the number of Board members who will be termed out and otherwise not returning, and conduct new Board member recruiting efforts.

Board Director Nominations and Election

The Board is responsible for the Board recruitment process with support from the Executive Director.

Annual Assessment of Board Composition

- *Returning Board Members.* The Board working group confirms that Board members whose terms are expiring intend to run for re-election.
- *Strategic Board Planning.* The Board working group, on an annual basis, assesses the skills, connections and affiliations of current Board members and analyzes gaps and then sets priorities for Board recruitment, to support CVBs mission.

Resignation, Removal and Vacancies

Resignation, Removal and Vacancies. A director may resign at any time by giving written notice to the Executive Director of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein, or, if no time is specified, then upon receipt of the notice. A director may be removed by action of a majority of the members then comprising the Board. A vacancy or vacancies in the Board which occurs for any reason, including an increase in the authorized number of directors, may be filled by the action of the majority of Board members.

Officers

Specified Officers. The principal officers of the Corporation shall be President, Vice President, Treasurer and Secretary. All such officers shall be elected from within membership of the Board.

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The election of such officers shall take place at the regularly scheduled meeting of the Board of Directors in any calendar year based on nominations presented by the Board.

Term of Office. Members of the Board of Directors shall be elected for a two (2) year term. Officers of the Corporation shall serve for a period of two (2) years or until their respective successors have been duly elected.

Responsibilities of All Officers

- Coordinate the full board's review of the CEOs performance and compensation
- Serve as a smaller sounding board for the CEO
- Focus the boards work
- Set goals and develop agenda
- Coordinate the work of the full board

President

The President of the Corporation shall serve as Chairman of the Board, presiding at all of its meetings, and shall perform all duties commonly incident to such office. The President shall serve as Chairman of the Executive Committee. With the approval of the Board of Directors, the President shall sign all deeds, contracts and other instruments affecting the operation of the Corporation or any of its properties, except in those cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

The job of the Chair is, primarily, to maintain the integrity of the board's process. The Chair "manages the board." The Chair is the only board member authorized to speak for the board, other than in rare and specifically board-authorized instances. The Chair ensures that the board behaves consistent with its own rules and those legitimately imposed upon it from outside the organization. Meeting discussion content will be those issues that, according to board policy, clearly belong to the board to decide, not staff. The authority of the Chair consists only in making decisions on behalf of the board that fall within and are consistent with any reasonable interpretation of board policies in Parts III and IV of this BPM. The Chair has no authority to impose policies beyond policies created by the board. Therefore, the Chair has no authority to supervise or direct the Executive Director's work, but is expected to provide counsel.

Vice President

The Vice President of the Corporation shall act in the absence of the President, and in doing so, shall possess all the powers of the Chair.

Secretary

The Secretary of the Corporation shall keep minutes of all Board meetings, whether special or regular, attendance records, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by Law, be custodian of the corporate records and

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shall perform such other duties as called upon by the President. Secretary may have the assistance of a note taker for meetings.

Treasurer

The Treasurer of the Corporation shall be responsible to oversee and manage the finances of the Corporation and to see that all receipts and disbursements of funds are in compliance with its annual budget and the direction of the Board of Directors. Such funds shall be kept on deposit in financial institutions or invested in such a manner as is approved by the Board of Directors. Checks are to be signed according to policy set forth in the bylaws. The Treasurer shall generate a bimonthly financial report to be made to the Board and shall coordinate an annual audit to be completed by May 31st of each year of the Corporation's finances by a qualified certified public accountant in accordance with generally acceptable accounting and auditing standards and procedures.

Meetings

The Board of Directors shall meet not less than once per calendar quarter. All meetings shall be called by the President of the Board or by any three (3) Board Members Upon five (5) days' notice via email or ordinary mail. Agenda and Board Packet will be sent to Board members at least 24 hours prior to the meeting.

Attendance. The office of any Board member shall be automatically vacated after such Director has failed to attend 50% of Board of Directors meetings in a calendar year or missed three (3) consecutive meetings of the Board of Directors without an excused absence. After a second missed meeting, the Secretary shall give notice of accrued absences and potential automatic board termination. Attendance via Video Conferencing is acceptable.

Quorum, Voting

Number of Votes

Quorum. A quorum for conducting business at any meeting shall be fifty-one percent (51%) of the Directors then holding office and the votes of a majority of the Directors present at the meeting at which a quorum is present shall constitute the decision of the Directors.

Special Meetings/Meetings or When Board Approval Vote Needed. At times there may be a matter that requests a special meeting or vote by the board. When this matter arises the actual meeting confirmation can take place via electronic means. Electronic means are and not limited to, Email, Text Messaging, Conference Calling or by direct telephone. All directors need to be notified of such a meeting at least 24 hours prior to such meeting. A Quorum is needed for any passage or vote. In the event a board member is unable to attend, that board member may appoint another current board member to cast their proxy vote on their behalf with electronic means listed above as proof.

Committees

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Committees. The President of the Board with the approval of the Board of Directors shall appoint such administrative, standing and project committees as are deemed necessary to fulfill the purposes of the Corporation. Committees shall consist of at least one elected municipal official. These committees shall report to and operate under the authority and power delegated by the Board of Directors and Bylaws. A committee chair shall be appointed by the President of the Board or by the individual committees at the President's option. Committee meetings may be called at any time by the Board President or by the committee chair, and with whatever frequency is required in order to fulfill their responsibilities. The committee chair shall have the option to have minutes taken at all committee meetings. The Executive Director shall serve as an ExOfficio member of all committees. Committees shall consist of at least 3 members.

Executive Committee: The Executive Committee shall consist of the President, Vice President, Treasurer and Secretary of the Board of Directors. The purpose of the Executive Committee shall be to act on behalf of the full Board only in case of an emergency. Actions taken by the Executive Committee shall be ratified by the majority of the Board of Directors at the next regularly scheduled meeting. The Executive Director Job description and salary shall be reviewed annually in the 4th quarter, along with a comprehensive annual job review.

The Executive Committee is **not** authorized to make decisions with respect to the following matters:

1. Dissolve the corporation
2. Hire or fire the chief executive
3. Enter into major contracts or sue another entity
4. Make significant changes to a board-approved budget
5. Adopt or eliminate major programs
6. Buy or sell property
7. Amend the Bylaws
8. Change any policies the board determines must be changed only by the board

Emails Constitute Writings

Any notice or other communication required or permitted under this Agreement shall be in writing and shall be given by electronic delivery.

Parties agree that notices provided to the other related to the Agreement will be valid if sent by email to the authorized address (notwithstanding any failure of the recipient's email system, spam filters or similar impediments) or regular U.S. mail as set forth in the Agreement or in the account. Emails constitute writings and electronic facsimiles of original signatures constitute written approval for purposes of the Agreement.

Records, Reports, Inspection, Access to Staff

- Records are kept at CVB offices.
- Accounting Records and Reports kept at CVB offices.
- Any board member may inspect books, reports, records in reasonable time.
- Audit Report within 120 days of close of fiscal year.

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Access to Staff

- The Board of Directors encourages open communication to the Executive Director.
- CVB management team participates in all Board meetings and Executive Committee Meetings.
- Other CVB staff participate when needed and when invited.
- Executive management also supports Board efforts and committees, working with chairs.
- Board members are welcome to contact Executive management staff directly any time.

Risk Management

Reserve Fund Policy

The Board of Directors recognizes that it is heavily reliant on revenue sources that are variable and beyond its control, but must still provide and deliver marketing and promotional services as well as visitor services to ensure economic growth and opportunity in the Greater Wausau Area.

In order to consistently deliver these services, and provide for stability in planning and budgeting, the Board of Directors will maintain adequate reserve funds to protect against unforeseen events, periodic economic swings or severe economic downturns, as well as emergency or natural disaster expenses that require immediate action, including the expenditure of non-budgeted funds.

Reserve Fund Goal Policy Statement

Through membership dues, room tax dollars, program fees and other sources of revenue, the organization's goal is to maintain a reserve fund that, at a minimum, is equivalent to three months of marketing and operating expenses based on the average monthly expenditures in a given year. The Board shall review the fund balance and set risk goals annually during the succeeding year's budgeting process to ensure the appropriate balance is maintained. Annual recommendations to increase or decrease the Reserve Fund shall be made by the Board and presented for authorization and approval. The Reserve Fund shall be used for two purposes:

1. **Emergency:** The Emergency purpose is intended to be used only in the event of a natural or economic disaster or unforeseen catastrophic events that require immediate action, including the expenditure of non-budgeted funds. Emergency funds shall not be used for the purpose of meeting operating shortfalls or to fund new programs or personnel.
2. **Economic Stabilization:** The Economic Stabilization purpose is intended to be used to reduce the impact of revenue fluctuations and declining revenue growth due to economic downturns. The Economic Stabilization funds can be used to continue high priority services that cannot be funded by current revenues.

The Executive Committee, including the Executive Director of CVB, shall make the initial assessment that a situation exists which requires the expenditure of money from the Reserve Fund. By a two thirds majority vote of the Board, a recommendation may be made to authorize and approve the expenditure of Reserve Funds. The Board of Directors must then approve the transfer of Reserve Funds to the general budget by a two thirds (2/3) majority vote (of those present). The Executive Committee and the Executive Director must also provide the Board of Directors with an acceptable plan to replenish the funds removed from the Reserve Fund.

Fiscal Oversight/ Business Practices

Financial Management

FINANCIAL OVERSIGHT

The accounting policies and procedures currently in use at the Organization are to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency. All Organization's staff with a role in the management of fiscal and accounting operations are expected to comply with these accounting policies and procedures.

Division of Responsibilities

Board of Directors

1. Reviews and approves the annual budget
2. Reviews and approves the periodic financial reports and annual audited financial statements
3. The Executive Director, Director of Operations, the Treasurer and designated members of the Board of Directors are authorized signers on the bank accounts.
4. Approves recommended contracts with the organization auditors.
5. Approves the annual Return for Organization Exempt from Income Tax (IRS Form 990)

Executive Director

1. Sees that an appropriate budget is developed annually and ensures that the operational expenditures within the budget are maintained in the current year
2. Responsible for employee compensation and performance management
3. Approves and signs all issued checks and is signatory for all bank accounts
4. Manages and signs for all contracts that are included in the current year budget
5. Reviews and approves all grant submissions and all grant program expenditures
6. Oversees the adherence to all internal controls
7. Reviews and approves all reimbursements and fund requests

Executive Committee

1. Reviews and approves all contracts that are not included in the current year budget
2. Reviews and approves all non-budgeted expenditures that are not included in the current year budget
3. Reviews Executive Director's performance annually and establishes the salary
4. The Chair approves and signs all Executive Director expense reimbursement checks.
(Currently done by Director of Operations)

Finance Committee

1. Review annually an operating budget proposal by management for the next fiscal year to be approved by the Board

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2. Reviews and advises staff on internal controls and accounting policies and procedures
3. Monitors and makes recommendations for asset retirement and replacement
4. Reviews and approves monthly and year-end financial reports
5. Reviews the general ledger on a periodic basis for any unusual transactions
6. Oversees capital expenditures for proper depreciation of items purchased with a value or cost of one thousand dollars or more.
7. Recommends the appointment with the auditor's retention, engagement and scope of the annual audit and tax return obligations. Also coordinates and assists with the auditing activities.
8. Oversees the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the Board of Directors for their review and approval.
9. Oversees the financial performance objectives and benchmarks

Budgetary Control

A budget is always prepared for the future and hence there may be a variation between the budgeted results and actual results. Budgetary control is established by the comparison between the budgeted and actual results. Any differences (variances) are made the responsibility of the Executive Director and the Executive Committee who investigate and take appropriate action so that the deviations will not repeat in the future or revise the original budget.

Audit

An annual audit to be completed by May 31st of each year of the Corporation's finances by a qualified certified public accountant in accordance with generally acceptable accounting and auditing standards and procedures. Additional audits required by state or federal agencies will be administered as needed.

Delegation of Authority to Executive Director for Disbursements and Contracts

The Boards role is through high level policy to provide direction for the organization regarding its, Vision, Mission, Values, executive limitations and outcome expectations. It is the role of the Executive Director to develop and implement administrative policies which determine how the organization's work will be accomplished consistent with the Board policies.

The Board of Directors delegates authority to the Executive Director, the President of the Board to execute contracts or other instruments that do not obligate the corporation to expend the lesser of an amount over 25% of annual budget or \$25,000 and which are not longer than one (1) year in duration. No deed, mortgage bond, contract or other instruments which exceed the aforementioned amount shall be executed until the Board has approved its execution.

Planning and Oversight

Strategic Planning

The Board is always expected to think strategically. The Executive Director is expected to work in conjunction with the board to create a strategic plan, update it as necessary, link major activities in the plan to the relevant sections of the Board policies.

Conflict of Interest/Ethical Code of Conduct

Conflict of Interest.

Each director shall review and sign the Corporation's Code of Conduct and Conflict of Interest statement annually and disclose to the Board of Directors any duality of interest or possible conflict of interest whenever the duality or conflict pertains to a matter being considered by the Board.

(b) Any director having duality of interest or conflict of interest on any matter shall abstain from voting on the matter and shall not be counted in determining the quorum for the vote on the matter. In addition, he or she shall not use his or her personal influence on the matter, but may briefly state his or her position on the matter and may answer pertinent questions from other directors since his or her knowledge may be of great assistance.

(c) The minutes of the meeting involving any such situation shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

(d) If a director is uncertain as to whether he or she has a duality or conflict of interest which requires abstention, or if a director asserts that another director has such a duality or conflict, the Board, by majority vote of those present other than the director having the possible conflict, shall decide whether abstention is required. If so, the director will be deemed to have abstained.

(e) No purchase involving \$5,000 or more from any director or any entity of which the director is an officer, director, partner or owner shall be made without prior approval of the Board of Directors, provided, however, that if an expenditure is authorized in a previously approved budget and provided further that such expenditure is at fair market value or upon more favorable terms to the Corporation, the fact that a director is an officer, director, partner or owner of such entity shall not necessitate additional Board of Director approval.

(f) A director may not take any action on behalf of the Corporation which would bind the Corporation to a legal commitment with a third party unless there is prior Board approval for said action.

(g) If the Board member feels that a conflict of interest cannot be resolved with their continued presence on the Board of Directors, the Board member must resign.

Annual Review of Bylaws and Board Policies and Practices

The board shall review their policies on an annual basis. It's important to conduct an annual review of policies so that the organization remains in legal compliance and avoids liability issues.

The annual review process will include review of:

- Mission, vision, and critical action statements
- Strategic Plan
- Board of Directors Handbook
- Recruiting board members
- Board orientation and onboarding
- Board training and development
- Board attendance
- Board term limits
- Board chair and officer descriptions
- Organizational chart
- Committee charters
- Review of bylaws
- Executive director review process
- Board of director self-evaluation process
- Updating the board calendar
- Program Planning
- Information Management
- Human Resources
- Volunteers
- Finances
- Communication Policies
- Insurance
- Legal
- Facility Policies

Executive Leadership Development, Evaluation and Compensation

The Board of Directors and Management team is encouraged to become educated on topics regarding the Destination Marketing Industry, especially best practice, new trends and information that will assist the CVB in maximizing its effectiveness and influence.

In addition to annual reviews of the board, each board member should take an annual self-evaluation survey in order to gauge individual effectiveness.

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The Executive Director shall be reviewed by the Executive Committee in December annually. The committee shall refer to the six core competencies of Planning, Revenue, Administration, Board Relations, Communications / Public Relations, and Financial Management correlated with the Objectives and Critical Actions set forth by the Board of Directors.

Compensation shall be based on performance, best practice, comparable DMO & CVB markets and other factors. Other incentives may be set forth after review is completed such as bonuses, contract, pay and benefit increases or other factors.