

BOARD GOVERNANCE GUIDELINES OF

EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.

I. THE ROLE OF THE BOARD

The role of the Board of Directors (the “Board”) of the Eau Claire Area Convention & Visitors Bureau, Inc. (the “Organization”) is to (i) direct the affairs of the Organization and (ii) set expectations about the tone and ethical culture of the Organization. In doing so, directors are expected to apply their business judgment and act with due care, in good faith and in accordance with the best interests and mission of the Organization.

The Board fulfills its role (directly or by delegating certain responsibilities to its committees) by:

1. Setting the mission and values of the Organization – the “tone at the top” – and ensuring that an ethical culture of trust, honesty and integrity is promoted throughout the Organization;
2. Providing advice, counsel and support to the Executive Director and principal senior executives;
3. Selecting, regularly evaluating, fixing the compensation of, and, where appropriate, replacing the Executive Director;
4. Establishing measures of organizational performance and utilizing those measures to ensure senior management accountability;
5. Reviewing the Organization’s program for management development and succession planning;
6. Overseeing the conduct of the Organization’s business and strategic plans to evaluate whether the business is being properly managed in accordance with the Organization’s mission;
7. Reviewing and approving the Organization’s fundraising and development plans, budgets and actions;
8. Reviewing and approving the Organization’s annual budget, financial objectives and other major organizational plans and actions;
9. Reviewing and approving significant changes in the Organization’s auditing and accounting principles and practices;
10. Providing oversight and ensuring the integrity of internal and external audit processes, financial reporting and recordkeeping;
11. Reviewing the Organization’s Form 990 prior to filing with the Internal Revenue Service;
12. Providing oversight of risk assessment and protection processes ensuring appropriate management of significant risks;
13. Acting with integrity and adhering to the policies in the Organization’s Code of Conduct and Ethics and the Conflict of Interest Policy. Any waiver of the requirements of the Code of Conduct and Ethics for any director must be approved by the Board;
14. Keeping confidential all non-public information that relates to the Organization’s business, unless disclosure and/or use of such information is authorized pursuant to Part VI of these Guidelines. Such information includes, but is not limited to, information regarding the finances and operations of the Organization, donor lists, mailing lists and any information relating to fundraising (including fundraising efforts, plans, ideas and proposals), minutes, reports and materials of the Board and its committees, and other documents identified as confidential by the Organization;

BOARD GOVERNANCE GUIDELINES OF

EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.

15. Ensuring that compliance systems and processes designed to promote legal and ethical compliance are reasonably effective, and monitoring the Organization's compliance with relevant laws;
16. Monitoring the effectiveness of the Organization's governance practices and organizational documents and making changes as needed; and
17. Performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by law or regulation.
18. Ensures effective organizational planning and approves strategic planning that includes a combination of these elements:
 - Statement of mission and purposes;
 - Assumption about the future (likely internal and external circumstances);
 - Current programs and services;
 - New programs and services;
 - Membership development and retention strategies (if apropos);
 - Staffing (current and projected);
 - Board of directors (size, method of selection, committee structure, other bylaws provisions
 - Financial projections (income and expenditures);
 - Fund raising strategies;
 - Public relations;
 - Appendices (current and proposed staff organization charts, financial trends for the preceding three to five years and projections for the next three years, trend data on clients and constituents served, etc.).

II. DIRECTOR QUALIFICATION STANDARDS

A. Selection of Board Members

The Board is responsible for selecting the members of the Board. The Board has delegated the selection process to the Executive Committee. The Board will review annually the appropriate experience, qualifications, attributes and skills required of directors in the context of the Organization's current circumstances and the Board's needs.

The Board expects that all directors will, at a minimum:

1. Have experience or knowledge with respect to at least one area of the Organization's operations or area of board responsibility, such as strategic planning, financial management, technology, fundraising and development, public relations or human resources; and
2. Be committed to the Organization's mission and programs.

The Executive Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make up of the Board.

BOARD GOVERNANCE GUIDELINES OF

EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.

B. Board Independence

Directors should be able to exercise objective judgment – they should be “independent-minded.” The Board should ensure that directors are responsible for making decisions with respect to issues where management may have a potential conflict or blind spot. In determining director independence, the Board should consider all relevant facts and circumstances that could affect a director’s ability to exercise objective judgment, including materiality of relationships (business, familial and social) each director may have with the Organization, management, beneficiaries, donors, clients, suppliers and other important constituents. In addition, a director may only be considered “independent” if:

1. The director was not compensated as an officer or other employee of the Organization or a related organization;
2. The director did not receive compensation exceeding \$10,000 during the most recent tax year from the Organization (or related organizations) for services provided in the director’s capacity as an advisor, consultant or independent contractor; and
3. Neither the director, nor any family member of the director, was involved in a loan, grant, excess benefit transaction, or a business transaction involving an interested person that is reportable on Schedule L of Form 990, with the Organization (whether directly or indirectly through affiliation with another organization).

III. DUE CARE

Directors are expected to exercise appropriate diligence in providing managerial oversight and decision-making, and are expected to:

1. Attend and participate actively at all Board and committee meetings;
2. Review meeting materials and agendas in advance;
3. Request other information from management and trustworthy and reliable experts where appropriate before making decisions or taking actions; and
4. Be sensitive to indications of potential problems or concerns and make further inquiry until reasonably satisfied that management is dealing with those concerns appropriately.

IV. OTHER EXPECTATIONS

In addition to fulfilling the duties outlined above, the Board is expected to:

1. Meet at least four times per year;
2. Conduct an annual self-evaluation of the Board and each committee;
3. Meet regularly without members of management present;
4. Maintain minutes of Board and committee meetings;
5. Review and approve policies and procedures relating to the work and structure of the Board;
6. Approve major engagements with respect to public policy and other external affairs activities; and
7. Provide for the orientation of new directors and make available continuing director education opportunities as appropriate.
8. Join and participate actively in the activities of the Board;

BOARD GOVERNANCE GUIDELINES OF

EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.

9. Leverage personal relationships with others (including corporations, professional service firms, foundations, individuals and government agencies) to assist the staff of the Organization with implementing fundraising strategies;
10. Act as an ambassador for the Organization with respect to dealings with the general public, donors, government agencies and clients;
11. Advise the Chair of the Executive Committee upon a change in the director's professional responsibilities (such as resignation or change of employment) and prior to accepting an invitation to serve on another board of directors;
12. Act as a mentor to other directors; and
13. Suggest to the Executive Committee any potential Board candidates who fulfill the Board's criteria for directors and who could make significant contributions to the Board and the Organization.

V. BOARD COMMITTEES

The Board currently has three standing task-specific committees, Executive, Finance and Grant committees. The Board retains discretion to form new committees, including sub-committees, and can disband committees where appropriate.

VI. CONFIDENTIALITY

Pursuant to their fiduciary duties of loyalty and care, directors have an obligation to keep confidential all non-public information obtained by a director that relates to the Organization's business. Directors must not use or disclose such information to any person or entity during or after service, except with written authorization of the Board or as may be otherwise required by law or regulation.

VII. BOARD INTERACTION WITH THE MEDIA AND OTHERS

In most situations, the Chief Executive Officer speaks on behalf of the Organization with donors, employees, clients, suppliers, the media and others. The Chair of the Board is the spokesperson of the Board. Other directors should not communicate with representatives of the media unless duly authorized by the Chair of the Board or the Chief Executive Officer, so as to prevent any inadvertent disclosure of confidential information.

VIII. TENOR OF BOARDROOM DELIBERATIONS

Achieving an atmosphere in which full and frank discussion can thrive, and consensus can ultimately be reached, is a challenge. It is the responsibility of the Board to act in the best interests of the Organization and disagreements may arise. Within the context of their fiduciary duties, directors should seek to participate and express disagreement in an open and collegial manner, with developing consensus and resolution as the ultimate goal.

**BOARD GOVERNANCE GUIDELINES OF
EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.**

IX. 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.

A. 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. Reviews Executive Director's performance annually and establishes the salary
4. The Executive Director, Chair of the Board, the Treasurer and designated members of the Board of Directors are authorized signers on the bank accounts.
5. Approves recommended contracts with the organization auditors.
6. 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. The Chair approves and signs all Executive Director expense reimbursement checks

Finance Committee

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

BOARD GOVERNANCE GUIDELINES OF

EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.

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

Accounting & Operations Manager

1. Maintains grant program reporting and appropriate release of temporarily restricted funds
2. Reconciles all bank accounts and makes bank deposits
3. Coordinates and assists with the auditing activities.
4. Processes all payrolls and is responsible for all personnel files
5. Processes all inter-account bank transfers
6. Assists Executive Director with the development of annual and program budgets
7. Reviews, revises, and maintains internal accounting controls and procedures
8. Records donor acknowledgements
9. Prepares monthly and year-end financial reports and monitors program budgets
10. Manages Accounts Payable and prepares checks for signature
11. Manages Accounts Receivable and the petty cash fund
12. Maintains the Chart of Accounts and ensures most effective use of assets
13. Overall responsibility for data entry into accounting system and integrity of accounting system data

B. 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 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.

C. Credit Card Policies

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which the Organization receives funds.

The Executive Director's credit card usage will be provided to the Board Chair and the Board Treasurer upon request.

BOARD GOVERNANCE GUIDELINES OF

EAU CLAIRE AREA CONVENTION & VISITORS BUREAU, INC.

D. Reserve Fund Policy (April 2013)

The Eau Claire Area Convention and Visitors Bureau (ECACVB) 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 Eau Claire Area.

In order to consistently deliver these services, and provide for stability in planning and budgeting, the ECACVB 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 Eau Claire Area Convention and Visitors Bureau's goal is to maintain a reserve fund that, at a minimum, are equivalent to three (3) percent of marketing and operating expenses based on the average monthly expenditures in a given year. The Executive Committee shall review the fund balance 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 Executive Committee and presented to the Board of Directors 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 ECACVB, 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 Executive Committee, a recommendation may be made to the Board of Directors 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.