
Policy 2: Board Self-Management Policies

For purposes of these policies “Martha & Mary” and “Board” shall mean all of the Martha & Mary Corporations: Martha & Mary Lutheran Services (MMLS), Martha & Mary Health Services (MMHS), Martha & Mary Children’s Services (MMCS), Ebenezer, and Martha & Mary Home and Community Services (MMHCS) unless otherwise stated.

2.0 Purpose - The purpose of the Board, on behalf of the Lutheran churches who are its Members and “moral owners,” and whose values it represents, is to:

- Determine the organization's mission and purpose (MMLS only)
- Select the Chief Executive Officer (CEO) (MMLS only)
- Support the Chief Executive Officer and review his or her performance (MMLS only)
- Ensure effective organizational planning
- Ensure adequate resources.
- Protect assets and provide financial oversight
- Determine and monitor the organization's programs and services
- Enhance the organization's public image
- Build a competent board and assess its own performance
- Ensure legal and ethical integrity

2.1. Governing Principles - The Board will govern with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of Board and CEO roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity.

2.1.1. Scope of Activities - All activities of the Board, its officers, committee(s) or members shall relate to the specific responsibilities of the Board as formally documented in policies.

2.1.2. Group Action - The Board, after deliberation, will speak with one voice. No individual Trustee may exercise such authority except as instructed by the Board.

2.1.3. Discipline – The Board will enforce upon itself discipline necessary to govern with excellence and consistent with the Bylaws. Discipline will apply to:

2.1.3.1. Attendance – Absence from three consecutive or four regularly called board meetings in a rolling 12-month period shall result in a review of status as a trustee. (Revised June 2015)

2.1.3.2. Adherence to governing principles.

2.1.3.3. Policy Review – Any Trustee or the CEO may request that the President place on the Board’s agenda a review of or a change of specific policies at any time. (Revised May 2011)

2.1.4. Monitoring - The Board shall establish effective and regular ways of monitoring compliance with its Policies.

- 2.1.5. Board Meeting Evaluation – At each meeting the board will monitor and discuss the board’s own process and performance and will ensure the continuity of board values and improvements through board training and orientation. The Governance Committee is responsible for implementing this policy. (Revised May 2011)
- 2.2. Board Responsibilities – The Board will carry out its Purpose by:
 - 2.2.1. Strengthening the link between the organization and its Members through communication with the delegates and pastors of the member churches.
 - 2.2.2. Enhancing the organization’s public image
 - 2.2.3. Developing written governing policies which, at the broadest level, address:
 - 2.2.3.1. Mission and purpose for M&M (MMLS only)
 - 2.2.3.2. Board Self-Management Policies: Specification of how the Board conceives, carries out, and monitors its own task.
 - 2.2.3.3. Board-CEO Relationship: How power is delegated and its proper use monitored; the CEO’s role, the Board’s authority and accountability. (Revised August 2014)
 - 2.2.3.4. Board direction to the CEO: Constraints on CEO authority which establish the prudent and ethical boundaries within which all CEO activity and decisions must take place.
 - 2.2.4. Evaluating the CEO’s performance for the period of January 1 through December 31 each year.
- 2.3. Individual Trustee Responsibilities – To successfully perform his/her responsibility, each individual member shall:
 - 2.3.1. Complete new trustee orientation and devote the time to stay informed of issues.
 - 2.3.2. Become familiar with Martha & Mary’s Bylaws and Policies.
 - 2.3.3. Regularly attend and actively participate in all of the board’s meetings. Notify the board president if an absence is anticipated.
 - 2.3.4. Review materials provided in advance of board meetings and come prepared to participate in meetings.
 - 2.3.5. When absent from a meeting, review minutes and results of the missed meeting.
 - 2.3.6. Serve on board committees and task forces as requested.
 - 2.3.7. Not speak for the board as a whole, unless specifically authorized.
 - 2.3.8. Follow through on board-related commitments.
 - 2.3.9. Respect the confidentiality appropriate to issues:

2.3.9.1. In the normal course of business, a Trustee shall treat as confidential all matters involving M&M, including Board discussions, until there has been general disclosure or unless the information is a matter of public record or common knowledge.

2.3.9.2. The individual Trustee is not a spokesperson for M&M and thus disclosure to the public of M&M and Board activities shall be made only through M&M's designated spokesperson, the CEO or the President of the Board.

2.3.9.3. This presumption of confidential treatment shall apply to all information about legitimate Board or M&M activities. To this end, any communication, including email, concerning Board matters or meetings or committee meetings and discussions shall only be communicated by Trustees to other Trustees and to appropriate management staff.
(Revised May 2011)

2.3.9.4. This also includes the dissemination of confidential information, records and documents regarding M&M itself, staff, patients, prospective patients and, more generally all information regarding M&M matters, transactions, personnel and individual performance of employees, management or other Trustees.

2.3.10. Refer any employee concerns or complaints to the CEO, unless the issue is a matter which should be referred to the ethics hot line.

2.3.11. Trustees shall at all times conduct themselves in a civil manner when conducting M&M business, when acting on behalf of M&M and when on M&M premises, whether in the role of a visitor, volunteer or Trustee. At no time will abusive, discourteous, threatening or demeaning language or action be tolerated.

2.3.12. Make an annual financial contribution to the organization

2.3.13. Support and participate in fundraising activities and events

2.3.14. Trustee's Conflict of Interest Policy – All Trustees shall comply with the Board-approved "Conflict of Interest Policy".

2.4. Governing Processes

2.4.1. Annual Board Planning Cycle - The board shall establish an annual calendar for corporation meetings, trustee orientation, training/education and re-examination of its mission, purpose and strategic plan.

2.4.2. Policy Review Calendar - Policies shall be reviewed at least once a year according to the following schedule: (Revised May 2011 and August 2014))

2.4.2.1. Policy 1 (Mission & Purpose) in October along with the annual review of the strategic plan.

2.4.2.2. Policy 2 (Board Self-Management) in June. (Added May 2011; Revised August 2014)

2.4.2.3. Policy 3 (Board-CEO Relationship) and Policy 4 (Board Direction to CEO) in March along with annual CEO evaluation. (Added May 2011)

2.4.3. Board Self-Appraisal - In order to discipline itself and its efforts, the Board shall conduct an annual self-appraisal. The Board shall commit part of one meeting to discuss the following areas and identify areas and actions for improvement. The self-appraisal shall focus on:

2.4.3.1. The Board's performance in identifying and achieving its mission and purpose.

2.4.3.2. The Board's openness and communication among its trustees.

2.4.3.3. The Board's ability and skill in developing and monitoring policy.

2.4.3.4. The Board's adherence to policy.

2.4.3.5. The Board's communication with the CEO.

2.5. Investment in Governance – The Board will invest in its governance capacity. Accordingly, the Board will:

2.5.1. Ensure that individual and collective skills, methods, and supports are sufficient to assure governing with excellence.

2.5.2. Use training and retraining to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understanding.

2.5.3. Arrange for outside assistance when needed so that the board can exercise confident control over organizational performance.

2.5.3.1. The board will appoint the external auditor annually upon the recommendation of the Audit Committee. The auditor will have a direct reporting responsibility to the board and will meet with the board in executive session without management present.

2.5.4. Develop outreach mechanisms as needed to ensure the board's ability to listen to viewpoints and values of its moral owners.

2.5.5. Budget costs for this investment and provide them to the CEO annually prior to setting the annual budget.

2.6. Board Meetings

2.6.1. The Board intentionally establishes a basic structure for its meetings. Additional items can be added as needed, but the basic elements need to be maintained. This Board agenda structure shall work in tandem with the annual plan, policy review and monitoring calendar. The Board agenda structure shall include:

- Consent Agenda Items
- Management Report
- Committee and Task Force Reports
- Discussion and Education topics
- Meeting evaluation

2.6.2. Consent Agenda – items which require Board approval and which have been sent to Trustees prior to the meeting for review shall be placed on the consent agenda. Any trustee at the meeting may request an item be removed from the consent agenda to be discussed and voted on as an individual item. All consent agenda items will be approved by a single motion and vote to approve the consent agenda items.

2.6.3. Types of Board Sessions - The Board shall have three types of Board sessions:

2.6.3.1. Open - Open sessions allow Trustees, Advisory Board Strategic Appointments, the CEO, and non-Trustees to be in attendance. (Revised June 2015)

2.6.3.2. Closed - Closed sessions allow only Trustees, Advisory Board Strategic Appointments, the CEO, and those invited to be in attendance. Except for actions taken, there shall be no reporting about these sessions. (Revised June 2015)

2.6.3.3. Executive - Executive sessions allow only Trustees, Advisory Board Strategic Appointments, and those invited to be in attendance. Except for actions taken, there shall be no reporting about these sessions. (Revised June 2015)

2.7. Officers of the Board

2.7.1. The officers of the Board shall not assume any part of the management of the organization. Their focus shall be on coordinating and helping the Board do its work.

2.7.2. Board President Responsibilities:

2.7.2.1. Establish the agenda for Board meetings in coordination with the CEO and in compliance with the policy calendar established by the Board. (Revised May 2011)

2.7.2.2. Preside at all meetings of the Board of Trustees and at the Annual Meeting. Roberts Rules of Order shall serve as a guide in the conduct of the meeting.

2.7.2.3. Discuss and review corrective actions with individual Trustees when they violate their responsibilities. When resolution cannot be obtained with an individual Trustee, the President, shall in an Executive session of the Board, conduct a review of the policy and develop recommendations for any necessary corrective actions.

2.7.2.4. Notify Trustees when they have missed two consecutive meetings or three meetings in a rolling 12-month period. The President shall explain that missing the next meeting will result in a review of their status as a trustee. (Revised June 2015)

2.7.2.5. Act in all areas of Board management left unstated within these policies. The President is permitted to act in any of these areas without having first to gain Board approval.

2.7.2.6. Appoint committee chairs and members.

2.7.2.7. Establish board task forces and appoint members.

2.7.2.8. Occasionally represent the board to outside parties in announcing board-stated positions.

2.7.2.9. Be the point of contact for any trustee or employee who wishes to express a concern about illegal or unethical behavior that cannot be resolved through the normal chain-of-command in the organization.

2.7.3. Vice President:

2.7.3.1. Fulfill President's duties when the President is absent or incapacitated.

2.7.3.2. Preside in the absence of the President at meetings of the Board of Trustees.

2.7.4. Secretary:

2.7.4.1. Cause proper notice of meetings to be given.

2.7.4.2. Ensure the recording of accurate minutes of the meetings of the Board of Trustees and meetings of the Delegates.

2.7.4.3. Have custody of and authenticate as necessary the minute books and other records pertaining to the corporate business.

2.7.4.4. Oversee an electronic database for board documents and authorize access to the database for Trustees.

2.8. Task Forces

2.8.1. Task forces may be established by the President to study specific issues and report recommendations to the board. Task forces shall exist for a specified period of time and disband when a report or recommendation has been given. Task forces shall have no executive or decision-making authority except when empowered by the Board.

2.8.2. Task forces may be established at the request of the CEO to tap trustees' expertise in helping to study and formulate recommendations to the board.

2.8.3. Non-Trustees may be selected to be task force members. (Revised May 2011)

2.8.4. A record (minutes, notes or highlights) of all meetings shall be kept and reported to the Board at its next regular meeting.

2.9. Committee Principles (Added February 2013)

2.9.1. Committees will be used so as to minimally interfere with the wholeness of the board's job, and so as never to interfere with delegation from board to the CEO. Accordingly, board committees:

2.9.2. May not speak or act for the board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the CEO.

2.9.3. Will assist the board chiefly by preparing policy alternatives and implications for board deliberation. Board committees are not to be created by the board to advise staff.

2.9.4. Cannot exercise authority over staff.

2.10. Committee Structure (Added February 2013)

2.10.1 The Board Governance Committee shall:

2.10.1.1 Consist of at least three trustees.

2.10.1.2 Conduct annual and “as necessary” policy reviews, soliciting input from all board members. Recommend changes as necessary.

2.10.1.3 Regularly evaluate the effectiveness of the parent and subsidiary boards.

2.10.1.4 Assess the skills which are needed by the board to effectively carry out the Mission and Vision for M&M.

2.10.1.5 Provide such orientation, training and educational materials as may be needed to enable trustees to be effective.

2.10.1.6 Serve as nominating committee to identify persons who are willing to serve as trustees for MMLS and its subsidiaries.

2.10.1.7 Nominate officers for MMLS and all subsidiaries for election at the annual board meetings.

2.10.2 The Finance Committee shall:

2.10.2.1 Consist of at least four trustees;

2.10.2.2 Regularly review the financial status of all corporations and provide a summary to the boards at every meeting;

2.10.2.3 Review the annual budget and basis for estimates to assure the budget aligns with the mission and purpose of the organization and are realistic and achievable. The committee shall recommend appropriate action to the boards;

2.10.2.4 Propose board direction to the CEO Policy for changes relating to the fiscal management of Martha & Mary .

2.10.2.5 Recommend the board’s budget for Investment in Governance (Ref. Policy 2; 2.5)

2.10.2.6 Recommend annually for the approval by the board the appointment of the external auditor

2.10.2.7 Regularly review enterprise risk management assessments and report to the board significant risks and corrective action plans

2.10.2.8 Annually review and recommend changes as necessary to the Lutheran Services INVESTMENT POLICY, the Children's Services INVESTMENT POLICY, the Ebenezer INVESTMENT POLICY, and the Health Services INVESTMENT POLICY and report on the same to the Board. (Added August 2014)

2.10.3 The Personnel Committee shall:

2.10.3.1 Consist of the President and at least two other trustees;

2.10.3.2 By March of each calendar year, solicit inputs from all trustees and prepare an appraisal for the CEO's performance in the previous fiscal year;

2.10.3.3 Review appropriate compensation surveys such as LeadingAge Washington and recommend the CEO compensation package to the board;

2.10.4 The Development Committee:

2.10.4.1 Through philanthropy and fund development, assists the Board in its due diligence function of assuring the fiscal health of Martha & Mary. The Committee partners with staff to promote a philanthropic culture within the board and its individual members and to assure an effective donor-centered organization.

2.10.4.2 Consists of the Chair and at least two other members. The Committee Chair shall be a member of the Board of Trustees. Members may be members of the Board of Trustees and/or such with an interest in the organization's philanthropic programs.

2.10.4.3 Collaborate with the CEO and Development Staff to:

- Confer with the Governance Committee to define appropriate Board roles and performance expectations in Martha & Mary's development program.
- Provide personal follow-up to individual Board members to support their participation.
- Make personal donations, and encourage fellow Board members to do likewise.
- Demonstrate willingness to:
- Make Martha & Mary a personal charitable priority;
- Proactively develop relationships with potential sources of financial support;
- Provide opportunities for donor prospects to contribute to Martha & Mary in a manner that will accomplish the donor's personal objectives and aspirations.

2.10.4.4 Provide comments to CEO and Development Staff during the Development planning process and the establishment of the charitable contributions goals for the annual budget; provide feedback to the Board regarding the organization's annual development plan; and, recommend results and benchmarks for consideration by the Board;

- With consent of the Board, establish task forces and committees to carry out specific development activities, Monitor tasks force and committee performance

2.10.4.5 Educate the Board about basic principles and best practices in Development, including the design of a donor-centered organization.

- Help the Board articulate the case for philanthropic support directed at specific audiences and to the community in general
- Engage the Board in strategic dialogue and decision-making regarding philanthropy and development.

2.10.4.6 Devise and recommend philanthropic and development policies to the Board for action, including any limitation policies.

2.10.4.7 Help nurture a culture of philanthropy throughout Martha & Mary and assure that all donors of time and money are respected, honored, and appropriately acknowledged.

2.10.4.8 Monitor fundraising efforts to be sure the ethical practices are in place and that fundraising efforts are cost-effective.

2.10.4.9 Annually evaluate its work as a Committee and the objectives it has committed itself to and report on the same to the Board of Trustees.

2.10.4.10 Annual review and recommend changes as necessary to the Martha & Mary Lutheran Services GIFT ACCEPTANCE POLICIES AND GUIDELINES and report on the same to the Board. (Added August 2014)

2.10.5 Board Strategic Planning Committee (SPC) is to develop and clarify the organization's long-term vision of the future of Martha & Mary and oversee documentation of that vision into a rolling five-year Strategic Plan prepared annually for the adoption by the Board. It shall:

2.10.5.1 Consist of at least three trustees appointed by the Board Chair. SPC may also have other, non-trustees, as additional members, appointed by the SPC Chair. Appointed Board members shall be the only Committee voting members.

2.10.5.2 Conduct, in conjunction with management, an Annual Strategic Planning Retreat.

a. In conjunction with the CEO and Board Chair, coordinate the date, format, and agenda to be covered at the Annual Strategic Planning Retreat.

b. Coordinate with the CEO and Board Chair, to finalize for inclusion in the Strategic Plan, performance, milestones, and benchmarks, or otherwise resolve items incomplete at the conclusion of the Annual Strategic Planning Retreat.

2.10.5.3 In conjunction with the CEO and Board Chair, SPC will identify a specific but limited number of topics to intently study as a committee on an annual basis that are agreed to be likely priorities for organization beyond the current year.

2.10.5.4 In conjunction with the CEO and Board Chair, SPC shall identify strategic topics and potential questions that may need research in preparation for the Annual Strategic Planning Retreat. Example topics may include identifying a suitable breath of services to be provided by M&M, or reviewing appropriate strategic alliances, partnerships or mergers.

2.10.5.5 SPC shall coordinate with the Finance and Audit Committee to ensure that current strategic initiatives are supported in the annual budget.

2.10.5.6 SPC shall review the Strategic Plan progress at least semi-annually. In coordination with the CEO and Board Chair, shall identify strategic topics and prioritize for presentation at board meetings.

2.10.6 The Board Church and Community Service Committee shall:

2.10.6.1 Consist of the Chair, the Chaplain and at least two other members. The Committee Chair shall be a member of the Board of Trustees. Members may be members of the Board of Trustees and those with an interest in developing and strengthening ties with Member Congregations.

2.10.6.2 Develop and promote strategies for strengthening the link between Martha & Mary and its Member Congregations.

2.10.6.3 Establish, implement, and maintain policies that advance Martha & Mary's relationship with Member Congregations.

2.10.6.4 Establish, implement, and maintain policies that advance Martha & Mary's relationship with the communities served.