



BOARD POLICIES

Adopted January 2019

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Reasons for Adoption

The reason for adopting these policies include:

- Efficiency of having all ongoing board policies in one place
- Ability to quickly orient new board members to current policies
- Elimination of redundant or conflicting policies over time
- Ease of reviewing current policy when considering new issues
- Providing clear, proactive policies to guide the chief executive officer and staff

Consistency

Each policy in this document is expected to be consistent with the law, the articles of incorporation, and the bylaws, all of which have precedence over these board policies, except time-limited or procedural-only board decisions (approving minutes, electing an officer, etc.) which are recorded in regular board minutes. All standing policies shall be included in this document. The Chief Executive Officer is responsible for developing organizational and administrative policies and procedures that are consistent with these policies.

Transition to These Policies

Whether adopted by part or as a complete document, as soon as some version of the Board Policies and Board Handbook are adopted as the “one voice” of the board, they are deemed to supersede any past policy and handbook that may be found in old minutes unless a prior board resolution or contract obligates Hope Alliance to a specific matter. If any actual or apparent conflict arises between the Board Handbook and other policies or board resolutions, the matter shall be resolved by the Board President or by the entire board as may be appropriate.

Changes to These Policies or Handbook

These policies are meant to be reviewed annually, at minimum, and are frequently refined. The Chief Executive Officer helps the board formulate new language for this Handbook, by distributing proposed changes in advance. Any change to this Handbook must be approved by the full board. Proposed changes may be submitted by any board member as well as by the Chief Executive Officer. In most cases, proposed changes shall be referred to and reviewed by the appropriate board committee before being presented to the board for action. Whenever changes are adopted, a printed copy that is dated will quickly be made available to the board.

Maintenance of Board Policies

The secretary shall ensure that all new or amended standing policies are recorded and published correctly. The Chief Executive Officer or designee shall maintain the policies file and provide updated copies to the board whenever the policies change or upon request.

Policies

Policy 1.0 Bylaws

It is the policy of Hope Alliance that its Bylaws contain, at a minimum, the following information:

1. Board size, terms of office, term limits, rotation policy, and election procedures,
2. Specifications for regular and special meetings, meeting notices, attendance requirements, removal for cause, and filling interim vacancies,
3. Officer's terms of office, responsibilities, and election procedures,
4. Standing committees, their charges, size, and composition,
5. Quorums for board meetings; and
6. Bylaw amendment process.

1.1: Amending the Bylaws

Amendments to the Bylaws must be adopted by a majority vote of the Board of Directors. The Amended Bylaws should be signed by the Board President or other authorized officer of Hope Alliance. The Amended Bylaws should be submitted to the Secretary of State, along with the appropriate filing fee.

Policy 2.0 Board Handbook Contents

It is the policy of Hope Alliance that its board handbook will contain, at a minimum, the following:

- Board member job description,
- Current list of board members with current contact information,
- Organization's mission statement,
- Organization's bylaws and a copy of the letter granting 501(c)(3) status,
- List of all committees, including appointed board members and assigned staff,
- Committee descriptions,
- Organization policies,
- Organizational chart,
- History of the organization,
- List of program services and a brief description of each program,
- Current budget, including funding sources and subcontractors,
- Brief description of contract provisions with attorneys, auditors, or other professionals,
- Basic information about family violence,
- History of the family and sexual violence movements,
- Summary of Texas laws that address family and sexual violence,
- Access to a copy of the Texas Business Code, and
- Access to a copy of the Health and Human Services Commission *Family Violence Program Shelter Center Provider Manual*.

The handbook may be provided in electronic format.

Policy 3.0 Orientation

It is the policy of Hope Alliance that its new board members, as part of the orientation process, attend four one-hour orientation sessions and receive a Board Handbook that contains, at a minimum:

- Board policies,
- Information about the dynamics of family and sexual violence,
- History of the violence against women movement,
- Relevant Texas laws,
- Organizational essentials,
- Financial management and governance information,
- Board participation,
- Access to a copy of the Texas Business Code, and
- Access to a copy of the Texas Department of Human Services *Family Violence Program Shelter Center Provider Manual*.

3.1: Missed Orientation

If a new board member misses any of the four orientation sessions, the new board member will meet with the Chief Executive Officer and another board member within eight weeks of her or his term commencement to go over the board handbook and the highlights of the board orientation.

Hope Alliance will explain individual and collective fiduciary responsibilities and legal liabilities to new board members.

Policy 4.0 Board In-Service Training

It is the policy of Hope Alliance that its entire board will dedicate time on the agenda of its regular monthly board meeting for board member training. The trainings will include the following:

- An explanation of the center’s mission, philosophy, and a brief history,
- A training in support of the agency’s policy not to discriminate or tolerate any form of harassment,
- An explanation of the dynamics of family violence that includes its causes and effects,
- A description of the organization’s current programs, provided by program staff,
- A review of the organization’s policies and clarification of any changes made during the year, including all Health and Human Services required policies and procedures,
- An explanation of how the center is funded and future funding projections,
- A discussion, presented by the board chair or a member of the executive committee, of the following:
 - The board’s role and responsibilities related to legal and fiscal accountability,
 - Meetings and attendance requirements,
 - Committee duties, structure, and assignments, and
 - Fundraising and public relations responsibilities.
- An explanation of the organization’s insurance coverage, including directors’ and officers’ liability insurance or notification of inability to obtain insurance,
- An explanation of the working relationship between the board and staff, including but not limited to which staff member is contacted regarding questions or requests and which staff members contact board members routinely,
- An update on any changes made in the Business Organizations Code,
- The organization’s confidentiality policy and the importance of confidentiality,
- New board members will receive this training within three months of starting their first term.

Hope Alliance encourages all board members to attend an advocate training to better understand the work of the organization and will utilize experienced board members and staff to help with the board

in-service training.

Policy 5.0 Board Responsibilities

The Board's roles fall into the following broad areas:

Governance – The policies developed by the Board that give overall direction to the agency.

Management – The Board takes action and makes decisions to ensure there are sufficient and appropriate human and financial resources for the agency to accomplish its work.

Operations – These are the activities, services or programs of the organization. The board delegates to the Chief Executive Officer (CEO) the function of ensuring that the organization complies with all applicable laws and the Texas Health and Human Services Commission (HHSC) rules, and provides the CEO with the resources necessary to effectively carry out this function. Furthermore, the Hope Alliance Board of Directors delegates to its CEO all functions and policy-making power of the daily operations of Hope Alliance. The CEO reports back to the board on all operational matters at least monthly.

5.1: Board as a Collective Decision Making Body

It is the policy of Hope Alliance that its board of directors wears only one hat, and that their decisions are made collectively during a duly held board meeting. The board may authorize a committee or individual board member to act on its behalf. Any such authorization is duly recorded in the minutes of its regular meetings, by committee charge or by other formal documentation.

5.2: Responsibilities of Individual Board Members

It is the policy of Hope Alliance that its Board Members are provided initial training (orientation) as well as ongoing training at each of the Board of Directors' regular board meetings that emphasize the mission and vision of Hope Alliance. The Chief Executive Officer reports monthly on the issues and trends in the community that may affect Hope Alliance. In addition, each Board Member is provided with access to the Texas Nonprofit Corporation Act, as well as other governance documents as part of its Board Handbook.

5.3: Mission and Purpose

It is the policy of Hope Alliance that its Board of Directors, at least annually, review the mission and purpose of Hope Alliance, and address any concerns regarding its validity and applicability.

5.4: Selection of the Chief Executive Officer

It is the policy of Hope Alliance that its Board of Directors employs the Chief Executive Officer (CEO) and delegates to the CEO the function of ensuring that Hope Alliance complies with all applicable laws, funders' rules and regulations, and provides the CEO with the resources necessary to effectively carry out this function.

5.5: Financial Oversight

It is the policy of Hope Alliance that its Board of Directors reviews the financial records of Hope

Alliance at least quarterly, that the Finance Committee review the financial records monthly and work with the Chief Executive Officer to develop the annual budget, and that the full board review and approve and/or ratify, at least annually, the internal control policies adopted by Hope Alliance.

5.6: Ensure Adequate Resources

It is the policy of Hope Alliance that each Board Member is encouraged to actively and enthusiastically raise funds, help the Chief Executive Officer manage Hope Alliance's funds and make a personal financial investment.

5.7: Ensure Legal and Ethical Integrity

It is the policy of Hope Alliance that each Board Member be informed of their legal and ethical obligations, responsibilities and expectations at the commencement of their term of service, and again at least annually, as part of ongoing Board training and development.

5.8: Strategic Planning

It is the policy of Hope Alliance that the Board develop, implement, fund and carry out a strategic plan for the organization that covers, at a minimum, a three year period. The Board reviews this Strategic Plan, at least annually, and uses it continuously as its guiding force.

5.9: Recruiting and Orienting New Board Members

It is the policy of Hope Alliance that each Board Member actively seek out and nominate potential board members within the policies for nomination and election outlined herein, and that all Board Members participate in orienting new members to the Board.

5.10: Discrimination, Harassment and Bullying Prohibited

Any form of discrimination or harassment on the basis of race, gender, gender identity, gender expression, sexual orientation, color, religion, national origin, pregnancy, age, disability, HIV/AIDS, or any other status protected by law, will not be tolerated in the workplace. Employees and board members are provided annual training on how to avoid and address discrimination, harassment and bullying.

5.11: Enhance Hope Alliance's Public Standing

It is the policy of Hope Alliance that the Board President and/or the Chief Executive Officer are the individuals who are authorized to speak to the media on behalf of Hope Alliance. The Board and/or the Chief Executive Officer may authorize another board member or staff person to speak on their behalf, on a case by case basis. However, every Board Member is an official representative of Hope Alliance in the community. All Board Members should actively communicate the mission as well as defend Hope Alliance against criticism and take steps to remedy conditions that cause justified criticisms. The Board will develop protocols and materials for use by board members when promoting Hope Alliance in the

community at large.

5.12: Determine, Monitor and/or Strengthen Programs and Services.

It is the policy of Hope Alliance that its Board of Directors determines which programs are consistent with its mission and monitor the effectiveness of those programs. It is the policy of Hope Alliance that its Chief Executive Officer develops those programs and services.

5.13: Support the CEO and Assess CEO Performance

It is the policy of Hope Alliance that its Chief Executive Officer develops the programs and services that Hope Alliance will provide in accordance with its mission, vision and philosophy and in keeping with the strategic plan developed by the Board; however, it is the responsibility of the Board to ensure that its Chief Executive Officer has the support s/he needs to further Hope Alliance's goals.

Policy 6.0 Legal Duties of the Board of Directors

It is the policy of Hope Alliance that its Board of Directors manages the affairs of the nonprofit but does not become overly involved in the day-to-day operations of the agency. The day-to-day operations of Hope Alliance have been delegated by the Board to the agency's Chief Executive Officer. It is the policy of Hope Alliance that its Board of Directors be informed of their legal duties, and has access to information to guide them in their duties. It is the policy of Hope Alliance that its Board Members comply with their legal duties.

6.1: Directors Indemnification

It is the policy of Hope Alliance to indemnify a director against reasonable expenses incurred in a lawsuit filed against the director if the director was successful in defending the lawsuit. Hope Alliance may indemnify a director for expenses in a criminal case, if the director had no reason to believe that his or her conduct was unlawful. To indemnify a director under the discretionary protection described herein, the Hope Alliance Board of Directors must approve the indemnification by corporate resolution unless an amendment is made to the Articles of Incorporation or to the bylaws. Hope Alliance will not indemnify a director, if the director engaged in willful or intentional misconduct or received an improper personal benefit.

6.2: Directors Insurance

It is the policy of Hope Alliance to carry Director's Errors and Omission Insurance.

Policy 7.0 Financial Responsibilities

It is the policy of Hope Alliance that it maintains current and accurate financial records and that the Board of Director's Finance Committee review financial activity of the organization monthly and the full board does so quarterly. The Board of Directors also approves, at least annually, a report of the financial activity of the organization for the preceding year. The report conforms to accounting standards and is submitted to the board in a format that includes a statement of support, revenue and expenses, changes in fund balances, a statement of functional expenses, and balance sheets for all funds.

7.1: Role as Fiduciary

It is the policy of Hope Alliance that it shall strive to maintain the highest standards of financial accountability, ethical and legal behavior and in a manner which promotes transparency so that its contributors, funders, constituents, and other stakeholders understand how and why critical decisions are made.

7.2: Financial Management

It is the policy of Hope Alliance that it shall strive to ensure accurate financial records are kept. The bookkeeping is done by the Hope Alliance Vice President of Finance under the supervision of the Chief Executive Officer and the Board Treasurer. The board finance committee reviews the financial records monthly and the full board does so quarterly. The Treasurer of the Board is charged with official oversight of this function.

7.3: Internal Control

It is the policy of Hope Alliance that it maintains up-to-date internal control procedures. These policies are reviewed at least annually.

7.4: Long-Term Viability – Protecting Our Future

It is the policy of Hope Alliance that its Board of Directors plan and evaluate not only the present but the future. The Board works from a strategic plan that covers a period of not less than 3 years. The Board makes financial decisions with the mission, goals and strategic plan in mind. It regularly tests the appropriateness of revenues and expenses to its long term plans. This is done by examining the revenues and expenses and linking them to a specific goal from its strategic plan.

It is the policy of Hope Alliance to abide by the financial controls that are in place which protect Hope Alliance's resources.

It is the policy of the Hope Alliance Board of Directors to make every effort to diversify its funding sources, and to actively work to lessen the agency's dependency upon government funding.

Hope Alliance understands that it is responsible to its funders, its clients, its supporters and the community and operates in a manner that instills trust and builds confidence with those to whom it is accountable.

7.5: Reserve Policy

This policy is under development. It is the policy of Hope Alliance that it strive to maintain reserves equal to, at minimum, three months of its annual operating budget. If a situation arises, and Hope Alliance has a need to use liquid funds from its reserves in an amount greater than \$2,500, the Chief Executive Officer must notify the Executive Committee who will discuss the need for future action. It is the policy of Hope Alliance that the Executive Committee may convert non-liquid assets to cash with the approval or written consent of the full board.

7.6: Investment Policy

This policy is under development.

7.7: The Budget

It is the policy of Hope Alliance that its Finance Committee and Chief Executive Officer develop an annual budget for approval by the full Board. Hope Alliance develops a budget with its strategic goals in mind. To this end, the budget development process includes quantifying the agency's strategic goals for the year and budgeting accordingly.

7.8: The Annual Financial Audit

It is the policy of Hope Alliance that it has an annual financial audit conducted by an independent auditor. The Vice President of Finance works closely with the independent auditor under the supervision of the Chief Executive Officer and the Board Treasurer. The Executive Committee is charged with oversight of this activity. The Executive Committee reviews the draft audit and any response, if necessary, and has the authority to direct questions to the auditor or to direct the Chief Executive Officer to do so on their behalf. The Executive Committee may request that the auditor present the audit and management letter to the full board, or may opt to have the Board Treasurer, Board President or designee, present the same to the Board.

Policy 8.0 Functional Responsibilities

It is the policy of Hope Alliance that it operates in a manner that keeps its mission and purpose in focus. The policy of the board of directors is to work to this end without becoming involved in the day-to-day operations. The Hope Alliance Board of Directors empowers its Chief Executive Officer with the authority and financial means to direct Hope Alliance's daily operations.

The job of the board is to lead the organization toward the desired performance and ensure that performance occurs. The board's specific contributions are unique to its trusteeship role and are necessary for proper governance and management. To perform its job, the board shall:

- Determine the mission, values, strategies, and major goals/outcomes, and hold the Chief Executive Officer accountable for developing a staff strategic plan based on these policies.
- Determine the parameters within which the Chief Executive Officer is expected to achieve the goals/outcomes.
- Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.
- Maintain and constantly improve all ongoing policies of the board.
- Select, fairly compensate, nurture, evaluate annually, and, if necessary, terminate a Chief Executive Officer.
- Ensure financial solvency and integrity through policies and behavior.
- Require periodic financial and other external audits to ensure compliance with the law and with good practices.
- Evaluate and constantly improve the board's performance as the governing board, and

- set expectations for board members' involvement as volunteers.
- Develop, review and operate with a formal strategic plan in place.
- Ensure that Hope Alliance is meeting its legal requirements.

8.1: Chief Executive Officer Annual Evaluation

It is the policy of Hope Alliance that the Executive Committee shall formally evaluate the Chief Executive Officer annually. This evaluation should be based on achievement of organizational goals and any other specific goals that the board and the Chief Executive Officer have agreed upon in advance, as well as feedback from Hope Alliance Staff Directors and Board Members. The Board President shall serve as chair of the committee. After meeting with the Chief Executive Officer, the committee will report on its review to the board, including recommendations on the Chief Executive Officer's compensation, which the Executive Committee or the board will then act upon.

During this process, the Chief Executive Officer and the board will agree on any specific, performance goals for the year ahead. These goals shall be documented and will be a primary basis for determining the Chief Executive Officer's performance at the end of the next year. At least every three years, the task force shall invite other input in a carefully planned "360" review, inviting feedback from staff, peers, and individuals outside the organization who have interacted with the Chief Executive Officer.

Policy 9.0 Fundraising Responsibilities

It is the policy of Hope Alliance that, in addition to its Development Committee, all board members are expected to help raise funds for Hope Alliance. Some of the ways board members are expected to help raise funds include:

- Make a personal gift.
- Establish policies to guide fundraising.
- Recruit board members who are willing to raise funds.
- Volunteer to help.
- Evaluate your efforts.

Policy 10.0 Board Structure

The purpose of this policy is to set forth procedures that will insure that board members have the expertise, commitment, and time to efficiently carry out Hope Alliance's Mission and Philosophy and are representative of Hope Alliance's affirmative action/equal opportunity commitments and the general population of Hope Alliance's service area.

Hope Alliance is committed to the fulfillment of Hope Alliance's philosophy and mission. Hope Alliance is also committed to an affirmative action/equal opportunity in recruiting board members without regard to sex, race, religion, sexual orientation, handicap, color or age. To this end, Board Members should also be committed to this purpose and philosophy and should be representative of the population of the community service areas.

The president of the Board and the Board itself shall have the responsibility for ensuring that the procedures below are being met.

The Chair of the Board Development is appointed by the Board of Directors. The Hope Alliance Board Development Committee is elected by and accountable to both the membership and the Board of

Directors to recruit Board Directors who shall carry out the Mission, Values and strategic plans of Hope Alliance.

In accordance with the values of Hope Alliance, Hope Alliance seeks to ensure that the Board of Directors is inclusive and at least parallels the diversity of our community. If there is a high degree of diversity at the Board leadership level, we hope that our policies, priorities and plans will include those diverse perspectives.

10.1: Board Composition

In accordance with its bylaws it is the policy of Hope Alliance that its board of directors shall have no less than five members, and may have up to 25 members, and be comprised of additional non-voting members of the community. The additional non-voting members of the community shall not be counted in the number of board members for the purposes of this policy or for the purpose of establishing a quorum.

10.2: Board Officers

In accordance with its bylaws, it is the policy of Hope Alliance that its board of directors has the following officers, in order of rank:

President (Mandatory Officer)
Past President or First Vice President
Second Vice President
Secretary (Mandatory Officer)
Treasurer

In the event that the President is unable or unwilling to act, the Past President or First Vice President shall assume the duties of President until a new president can be elected. In the event the Past President or First Vice President is unable or unwilling to act, the Second Vice President will assume the duties of the President until a new president can be elected. In the event the Secretary is unable or unwilling to act, the Treasurer will assume those duties until a new secretary can be elected. Under no circumstances shall the position of President and Secretary be held by the same individual.

Furthermore, in accordance with its bylaws and this policy, the term of office for an officer shall be for one year unless an amendment is made to the bylaws but under no circumstances shall the term exceed three consecutive one-year terms.

10.3: The Role of the Board President

It is the policy of Hope Alliance that its Board President, in addition to the duties and responsibilities outlined in the President's job description (*see Chapter 9*), manages the board with support from the Chief Executive Officer.

The Board President manages the board, and the Chief Executive Officer manages the organization. The job of the Board President is, primarily, to maintain the integrity of the board's processes.

The president “manages the board.” The president is the only board member authorized to speak for the board, other than in rare and specifically board-authorized instances.

The President ensures that the board behaves in a manner 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 to staff.

The authority of the president consists only in making decisions on behalf of the board that fall within and are consistent with any reasonable interpretation of board policies in this Board Handbook. The president has no authority to make decisions beyond policies created by the board. Therefore, the president has no individual authority to supervise or direct the Chief Executive Officer’s work, but is expected to maintain close communication with, offer advice to, and provide encouragement to the Chief Executive Officer and staff on behalf of the board.

10.4: Board and Staff Relations and Interactions

It is the policy of Hope Alliance to keep clear distinction between the role of the Board and the role of the Chief Executive, and the staff which is led by the Chief Executive Officer. To this end, Hope Alliance adopts the following principles: the board – led by the board president – thinks and acts strategically, by setting the direction for the organization and establishing guidelines for it to follow.

The staff, led by the CEO, thinks and acts operationally, by finding the most efficient and effective means for implementing the board’s direction within the guidelines. The board will often work closely with certain members of the Hope Alliance staff; however, these employees are assigned to work with the board by the Chief Executive Officer, and they are supervised by and accountable to the Chief Executive Officer. To facilitate the work of the board and the staff, the Chief Executive Officer may designate a Board Liaison who is the primary staff person responsible for providing staff support to the Board. Currently, the Chief Executive Officer has designated the Office Manager to serve as Board Liaison.

10.5: Role of the Chief Executive Officer

The Chief Executive Officer has a central role in sensing the changing external environment and developing and implementing, through the board, strategic responses as necessary.

The Chief Executive Officer has a critical role in facilitating the flow of information throughout the organization and to the public. The Chief Executive Officer carries out the policies of the board to achieve the purposes of the organization within policies set forth by the board.

The Chief Executive Officer develops and implements programs and budgets, ensures compliance with all applicable laws and the Texas Health and Human Service Commission rules, and manages the day-to-day operations of Hope Alliance.

10.6: Board Committees

It is the policy of Hope Alliance to create and operate board committees in accordance with its bylaws. The Hope Alliance Board Committees are listed below. Furthermore, it is the policy of Hope Alliance that every Board Member serves on at least one committee.

Executive Committee: Discusses important issues with the Chief Executive Officer and other staff outside of scheduled board meetings and recommends agenda items. The Committee is comprised of Board Officers.

Board Development: This committee analyzes the membership needs of the board; works to involve and recruit new Directors who can help achieve Hope Alliance goals and mission; and plans Board trainings and retreats. The maximum number of this committee is five Directors and up to an equal maximum number of members of the community. Only Directors have the authority to take official action or to vote when the committee has received an official charge from the full board. Furthermore, members of the Allies of Hope may serve on this committee and shall not be counted toward the maximum member limitation.

Nominating Committee: This committee nominates potential new Directors; nominates existing Directors for re-election; presents an annual slate of officers; and assures that Hope Alliance's Nominating Policies and Procedures are followed. This committee accepts recommendations for potential Directors and for officers. The minimum number of Directors for this committee shall be three and can be comprised of 3, 5 or 7 Directors who are not currently board officers. This committee shall be made up of Directors who currently are not officers of the board.

Facilities/Building Committee: The mission of this committee is to provide short and long term facility solutions in order for Hope Alliance to conduct its services in a safe, secure environment in all facilities which are owned and operated by Hope Alliance. The maximum number of this committee is five Directors and an equal maximum number of members of the community. Only Directors have the authority to take official action or to vote when the committee has received an official charge from the full board. Furthermore, members of Allies of Hope may serve on this committee and shall not be counted toward the maximum member limitation.

Development/Communication Committee: The functions of the Development and Communication Committee are to oversee the development and implementation of the agency's fundraising plan; identify and solicit funds from external sources of support; and work with the Vice President of Resource Development to raise funds and awareness. The Committee also oversees the development and implementation of a marketing and communication plan. There is no maximum number of members for this committee and the committee may include an equal number of members of the community. Only Directors have the authority to take official action or to vote when the committee has received an official charge from the full board.

Human Resources Committee: The function of the Human Resources Committee is to review and make recommendations to the full Board of Directors on all personnel matters including, but not limited to, staffing, personnel policies, senior leadership job descriptions, recommended salary structures, and employee benefits. The committee is also responsible for annually reviewing and recommending to the full Board of Directors appropriate adjustments to CEO pay. The committee will review any recommendations made by the CEO with respect to salary increases for senior leadership members. The committee is responsible for annually gathering and consolidating CEO performance input from all Board members. The Board president will provide the feedback to the CEO. Additionally, the Human Resources Committee acts as a grievance board for client complaints, if needed, as outlined by Hope Alliance's policies and procedures. The Human Resources Committee will also act when a formal written employee grievance against the Chief Executive Officer is filed or when an employee formally appeals a decision by the Chief Executive Officer to the board as outlined by Hope Alliance's policies and procedures. The maximum number of this committee is five Directors.

Finance Committee: The Hope Alliance Finance Committee is responsible for monitoring and communicating to the board about the organization’s overall financial health. Its core duties include participating in and overseeing:

- The development of the organization’s budgeting and financial planning,
- The creation of and oversight of the organization’s internal controls,
- The preparation and timely distribution of accurate, user-friendly financial reports to the Board and
- The implementation of safeguards to protect the organization’s assets.

The Finance Committee is tasked specifically with:

1. Working with the staff to develop an annual operating budget,
2. Setting long term financial goals for the organization, such as creating working capital or cash reserve funds, gross and net revenue targets, or creating a fund for maintaining or replacing equipment,
3. Ensuring adherence to the budget and achievement of the adopted goals by monitoring and reporting the organization’s regular financial activity,
4. In presenting the financial reports to the board, the finance committee will alert the Board to any existing or projected financial problems the organization is facing or is expected to face, and
5. The finance committee shall reviewing the organization’s insurance coverage to ensure that its assets are appropriately protected.

The Finance Committee will be comprised of a minimum of three Directors with the appropriate financial experience and knowledge. The Committee may have two additional members from the community who are Directors.

Keep in mind that, although the Finance Committee serves in the leadership role detailed above, the entire board has fiduciary responsibilities for the organization and remains accountable for protecting the organization’s financial wellbeing.

Allies of Hope: This Committee is comprised of previous Directors and members of the community without governing responsibility or authority who support the organization’s activities by providing information, resources, prestige, and financial support.

Additional Committees

The Board of Directors may from time to time designate and appoint additional standing or ad hoc committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designed by the Board of Directors. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Articles of Incorporation and these bylaws. The composition of these committees shall be made by majority vote of the Board of Directors at the committee’s inception. These additional standing committees or ad hoc committees may be disbanded after the conclusion of their work; when the need for the committee no longer exists; or for any other reason by majority vote of the Board of Directors.

10.7: Committee Authority and Terms of Reference

It is the policy of Hope Alliance to use a formal committee term of reference (see sample) when giving authority to a committee. The term of reference should spell out the degree of committee authority. It should specify the authority using these definitions:

1. **Limited advisor:** The committee investigates; **Sounds like:** “Look into the matter, give us all the facts, we’ll decide what to do.”
2. **Active advisor:** The committee investigates and suggests action. The Board will probably take the committee’s suggestions; **Sounds like:** “Look into the matter, let us know what the alternatives are, including the advantages and disadvantages of each, and make recommendations for our action.”
3. **Limited agent:** The committee can take action after the Board has agreed to the action; **Sounds like:** “Look into the matter, decide on the best course of action, inform us of what you intend to do, then go ahead and do it unless we tell you not to.”
4. **Active agent:** The committee can take action and reports on the action taken. The Board later approves the action; **Sounds like:** “Look into the matter, decide on the best course of action, take that action, and report back to us on what you did.”

Committees that are empowered to act on a regular basis, such as the Facilities Committee, should receive a term of reference no less than once a year so that the Committee and the full board are clear as to the actions the committee is authorized to take on its own and those that require board approval.

10.8: Executive Committee Authority

It is the policy of Hope Alliance that its Executive Committee, which is comprised of its officers, have the power to act for the Board and bind the Board by its decisions in certain specified circumstances. A full recitation of those circumstances follows.

When a matter concerning Hope Alliance arises between regular meetings of the board and a decision on that matter cannot reasonably be delayed until the next meeting, the President or their designee shall make a reasonable effort to contact by telephone or otherwise all members of the Executive Committee. In no case shall the unavailability of a member of the Executive Committee keep it from acting. The matter at issue shall be explained to the Executive Committee member and his or her vote solicited. It shall take three (3) affirmative votes for any action of the Executive Committee to be authorized. The President shall make the written memorandum of the matter at issue and the vote of each available member of the Executive Committee. Such memorandum shall be expeditiously distributed to all Board Members by mail, email or fax. The matter at issue and the decision thereon shall automatically be placed on the agenda of the next regularly scheduled meeting of the Board. The action of the Executive Committee taken in accordance with the above provisions shall bind the Board and shall have the same legal effect as it would have had, had the entire Board acted.

Policy 11.0 Governing Style

The board will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, encouraging diversity, strategic leadership (more than administrative detail,) with clear distinction of board and staff roles, and responding proactively rather than reactivity. In this spirit, the board will:

- Enforce upon itself and its members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect for clarified roles, speaking to management and the public with one voice, and self-policing of any tendency to stray from the governance structure and processes adopted in these board policies.
- Be accountable to its stakeholders and the general public for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or

committee of the board to usurp this role or hinder this commitment.

- Monitor and regularly discuss the board's own processes and performance, seeking to ensure the continuity of its governance functions by the selection of capable directors, orientation and training, and evaluation.
- Be an initiator of policy, not merely a reactor to staff initiatives. The board, not the staff, will be responsible for board performance.
- The board actively recruits survivors of family violence and sexual assault to serve on the board; however, the option to disclose this fact remains with the potential board member.

Policy 12.0 Board Membership Nomination

The purpose of this policy is to set forth procedures for nominating potential board members. The president of the Board and the Board itself shall have the responsibility for ensuring that the procedures below are being followed.

1. Each year the board will adopt a set of objectives for the next year.
2. As needed, the Board Development committee will prepare a board analysis for use in analyzing the current members in terms of the following: sex, age, ethnic background, geographic location, profession, expertise, and special needs such as financial expertise, fundraising experience, corporate management, etc. From that analysis the Board Development Committee shall recruit new board members to fill in needed areas. However, the primary qualification shall remain dedication and commitment to the Hope Alliance's mission and purpose.
3. Current board members who wish to be reelected to the board shall reapply to the Board Nominating committee. Criteria for reappointment shall be developed and shall include dedication, commitment, and time devoted to the mission and philosophy of the organization. This shall be measured by attendance at board meetings, service to the board in terms of hours, and the willingness to take leadership roles in furthering the projects of the board. Members whose attendance falls below 60% shall show just cause for those absences and point to clear evidence of service and leadership roles.

Procedures

- Discussions at the Board Development Committee regarding individual candidates shall be considered confidential.
- At the first Committee meeting each year, the Committee shall review the nominating policy and procedures and recommend changes or continuation of the existing policy and procedures to the Board of Directors.
- The Board Development Committee will survey current Board Directors to determine the range of skills, knowledge, interests, experience, diversity, geographic location, available volunteer time and length of time on the Board. The survey will include questions about the quality of the Board meetings and ask for feedback on Board process. Directors will be asked if they would consider an Executive or Committee chair position. This will assist in developing an Executive Committee slate.
- The Board Development Committee will report the survey findings to the Board to facilitate discussion and identify priority needs for that year's nominating recruiting.
- The Board Development Committee will call for nominations as vacancies occur or when the board otherwise is in need of additional members, and prepare a notice to this effect. The notice will describe the skills and experience the Committee is seeking and ask suitable interested candidates to contact Hope Alliance. Internally, Board, staff, and volunteers will be briefed on the Hope Alliance nomination process and priorities. The board will ask that board members, staff and volunteers discuss the need for Board Directors with friends and

acquaintances and encourage suitable interested individuals to contact Hope Alliance.

- Nomination to the Board of Hope Alliance of former employees will not be considered for one full year after their employment with Hope Alliance has ended, in order to ensure that a clear change in roles has occurred, and to avoid the perception of conflict of interest.
- Nomination to the Board of Hope Alliance of former clients will not be considered for one full year after their client-relationship with Hope Alliance has ended, in order to ensure that a clear change in roles has occurred, and to avoid the perception of conflict of interest.
- Persons submitting their names will receive a prospective board member packet that contains information about Hope Alliance and will be invited to attend an information meeting. They will be asked to confirm their intention to apply by filling out a brief application form, to include personal profile information and references.
- The Board Development Committee will contact applicants to set up an interview to provide prospective candidates with as much information as possible about responsibilities of a Board Director, and current information about Hope Alliance and to extend an invitation to the next board of directors meeting.
- The election process, as determined by Hope Alliance Bylaws, will be explained. The Committee will attempt to make information and forms accessible to potential candidates.
- References may be consulted when the candidate is unknown to the Committee, or when the candidate has been unable to attend the information meeting, or when the Committee feels that reference checking will assist them in making appropriate recommendations. A board member application and nomination form are included in the attachments to this Handbook.
- To prepare a slate of Board nominees, the Committee will first consider those Board Directors who wish to renew their membership for another year, providing those members have demonstrated, by meeting attendance and active participation, an interest and commitment to Hope Alliance.
- The Committee will then choose from the signed applications those persons who might best meet the needs of the Board.
- In filling the Executive slate, the Committee will review the survey of current Board Directors. Current Executive Committee members will be asked whether they wish to be considered for another year in the same position or in some other position. The Committee will consider past performance and contributions, the match of skills and experience with challenges ahead, and the advice of the President, Chief Executive Officer, and Board members on the Committee. The Committee will also consider other Board Directors, who have indicated interest, been suggested by peers, or who have the necessary skills.
- The Board will be asked to approve the Executive slate, at the regular board meeting prior to the end of the current officers' terms.

In filling the Board Development Committee slate, the Committee will consider continuity, access to new or a variety of networks in the community, skills and diversity.

12.1: Board Member Criteria

In nominating members for the board, the board Governance Committee shall be guided by the analysis grid.

Policy 13.0 Board Meetings

It is the policy of Hope Alliance to hold board meetings once a month, except in July and December, and board members are expected to attend a minimum of 8 out of 10 meetings. The Board President may call additional meetings, and shall give notice of such meeting in accordance with Hope

Alliance's bylaws. Hope Alliance's board meeting are open to the public; however, the Board may go into Executive Session. During Executive Session, only board members and those other individuals that have been invited for a specific purpose will be allowed to attend.

13.1: Proxy Voting

It is the policy of Hope Alliance to allow voting by proxy as permitted by its bylaws. For a board member to exercise his or her right to assign his or her vote to a proxy, an official proxy form must be completed and be received, prior to the scheduled board meeting for which the proxy has been issued. For the proxy to be valid, it must name another current board member who has full voting rights. The issuance of a proxy to a non-voting member of the board of directors or to any other individual is invalid and by no means implies, infers or transfers voting powers to someone who does not have voting rights of their own at the time the proxy is assigned. Hope Alliance allows for consent, proxy assignment, authorization and committee votes by Board Members and Committees via email so long as the email is sent from an email address which is already on file for the member, contains the name of the author and that the member agrees to provide written consent at a future date that confirms the email consent, committee vote, proxy assignment or authorization. Email consent, proxy assignment, authorization or committee vote remains valid even if the board member providing the email consent, proxy assignment, authorization and committee vote is unable or unwilling to provide written consent so long as the original email consent is not proven to be fraudulent.

13.2: Actions without a Meeting

It is the policy of Hope Alliance that the Board of Director's shall take no action without a meeting unless there is unanimous written and signed consent. The written consent must include at least the following:

1. The specific action taken;
2. The date; and
3. Signatures of the directors

Emails, sent from an address of record, may qualify as written consent when it is sent in reply to an email detailing the specific action taken and the date.

In accordance with its Bylaws, it is the policy of Hope Alliance to allow for telephone meetings so long as all persons can hear each other concurrently. The Secretary shall record the vote of each absent member and their name. Hope Alliance allows for written consent by Board Members and Committees via email so long as the email is sent from an email address which is already on file for the member, contains the name of the author and that the member agrees to provide written consent at a future date, if asked. Email consent remains valid even if the board member providing the email consent is unable or unwilling to provide written consent so long as the original email consent is not proven to be fraudulent.

13.3: Procedure: Minutes

It is the policy of Hope Alliance to keep complete records of the actions of its governing board and committees at its principal office. They are kept for a minimum of three years and are kept by year, in labeled digital files. *See also, Record Retention Policies.*

13.4: Resolutions

It is the policy of Hope Alliance that its Board of Directors will adopt a corporation resolution to take the following actions:

- Approving the conveyance of land,
- Approving a voluntary dissolution of the organization,
- Revoking a voluntary dissolution of the organization,
- Designating check signers,
- Approving corporate borrowing,
- Investing corporate funds, and
- Opening a checking account.

Furthermore, it is the policy of Hope Alliance to adopt a corporate resolution as is prudent and necessary to Hope Alliance's operations.

Policy 14.0 Board Member Transactions

It is the policy of Hope Alliance that its Board of Directors will permit transactions with interested Board of Director members only when such transactions are in the best interest of Hope Alliance and are in compliance with State law, and when such transaction has been approved by majority of the disinterested board members. Furthermore, any such transaction will be carefully documented in the minutes of the meeting at which the transaction was considered.

14.1: Conflict of Interest Policy Purpose

It is imperative to the success of Hope Alliance that there be a fully informed and responsive Executive Committee and Board. To accomplish this end, all Board members shall conduct themselves at all times in the best interest of Hope Alliance. In this regard, each Board member shall abide by the "Code of Ethics" below. While no code or set of rules can be framed which will particularize all the duties of a Board member, the following code of ethics shall serve as a general guide.

Code of Ethics Conflicts of Interest

A. Financial Interests. Each Director, Officer, and committee member shall fully disclose any and all financial interests involving themselves or one of their family members in regard to any matter which is presented to the Board or a committee for a vote, and shall abstain from voting on such matters.

"Financial interests" include, but are not limited to:

1. An ownership, investment interest, or compensation arrangement with any entity with which Hope Alliance has a transaction or arrangement; or
2. A compensation arrangement with Hope Alliance or with any entity or individual with which

Hope Alliance has a transaction or arrangement; or

3. A potential ownership, investment interest, or compensation arrangement with any entity or individual with which Hope Alliance is negotiating a transaction or arrangement, including a commission for fee, share of the proceeds, the prospect of promotion or profit, or any other form of financial reward.

B. Family Relationships. The term “family member” as used herein includes: parents, in-laws, children, siblings, spouses, domestic partners, uncles, nieces and nephews.

C. Duty to Disclose. In connection with the actual or potential conflict of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the Directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

D. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested party shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

E. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
2. The President or Chair of a committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the board or committee shall determine whether Hope Alliance can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is fair and reasonable to Hope Alliance. Hope Alliance shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

F. Violations of the Conflict of Interest Policy

1. If the board or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Recordings and Proceedings.

The minutes of the board and committees with board- delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed; and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Gifts

Directors and employees of Hope Alliance may not receive a gift, or a series of gifts, valued at more than \$25 from clients, contractors or businesses who have performed services for Hope Alliance within the past 12 months without prior approval of a majority vote of disinterested Directors.

Directors and employees of Hope Alliance shall also gain approval by majority vote of disinterested Directors to personally employ contractors and businesses which have performed services for Hope Alliance within the past 2 months.

Additional Provisions

- A. Directors shall put forth their best effort to attend all meetings and constructively participate in the meetings.
- B. Directors shall be responsible for insuring that adequate and correct information is presented to their constituents and the public.
- C. Directors shall exercise good judgment in the control and use of confidential information gained by reason of being a member of the Board of Directors for personal gain to the detriment of Hope Alliance.
- D. Each Director shall serve as a public relations agent for Hope Alliance and therefore shall work diligently and properly to promote its goals and objectives while keeping abreast with its overall progress.
- E. Except for voting at properly called meetings of the Board of Directors, board members shall refrain from entering into the direct day-to-day administration of the program unless they are doing so upon express authority given to them by Resolution of the Board of Directors.
- F. The Executive Committee shall be charged with the responsibility of reviewing any allegations of Directors violating this code or acting in any way which is detrimental to the success of Hope Alliance and make recommendations to the full Board for final action.

Annual Statement

Each director, officer, and committee member with board-delegated powers shall annually sign a statement which affirms that such person:

- A. Has received a copy of the Code of Ethics/Conflicts of Interest Policy;
- B. Has read and understands the policy;
- C. Has agreed to comply with the policy; and
- D. Understands that Hope Alliance is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Policy 15.0 Registered Agent

It is the policy of Hope Alliance that its registered agent shall be its Chief Executive Officer, and that any change to the name, address or title of such registered agent is filed with the Secretary of State in compliance with state law.

Policy 16.0 Dividends and Loans

In accordance with its Articles of Incorporation, it is the policy of Hope Alliance that no part of its income will be distributed to directors or officers. However, if a director provides services to Hope Alliance, that director may be paid a reasonable amount for the service.

Hope Alliance does not make loans to its directors. Hope Alliance does not make loans to employees.

Policy 17.0 Distribution of Assets

In accordance with its Articles of Incorporation, it is the policy of Hope Alliance that it shall not distribute its assets except upon dissolution of the corporation. Disposition of assets, if the corporation were to dissolve shall be done in accordance with the Hope Alliance Articles of Incorporation and applicable state or federal laws.

Policy 18.0 Contracts and Transaction between Hope Alliance and Members of the Board of Directors

It is the policy of Hope Alliance that there shall not be contracts and transactions between Hope Alliance and a director unless the following requirements are met:

- The material facts of the interest of the director are disclosed to the board, and the board in good faith and with ordinary care authorizes the transaction with the majority vote of disinterested directors (even if this is less than a quorum),
- The material facts of the interest of the director are disclosed to the board, and the contract or transaction is specifically approved in good faith and with ordinary care by vote of the disinterested directors, or
- The transaction is fair to Hope Alliance when it is authorized.

Policy 19.0 Books and Records

It is the policy of Hope Alliance that it maintains, at a minimum the following records:

- The names and addresses of Board of Directors, who are entitled to vote,
- Minutes of Board of Directors meetings and of any committees having the authority of the Board of Directors, and
- Complete books and records of accounts.

These records are retained in accordance with all state and federal laws. Hope Alliance does not have members. ***See also Record Retention policies contained in this handbook.***

Policy 20.0 Financial Records

It is the policy of Hope Alliance to keep true and accurate financial records that include full and correct entries, income and expenditures in accordance with generally accepted accounting principles. These records are retained in accordance with all state and federal laws, and in accordance with its funders' requirements, at Hope Alliance's principal office, for at least three years. These records may be archived and stored in accordance with the record retention policies contained herein. [*See also Record Retention policies.*](#)

20.1: Annual Reports

It is the policy of Hope Alliance to prepare and approve an annual report at the end of each fiscal year that includes at least a statement of support, revenue and expenses, changes in fund balances, a statement of functional expenses, and balance sheets for all funds. The report is prepared in a manner that conforms to accounting standards as promulgated by the American Institute of Certified Public Accountants. These records in addition to the three most recent annual information returns, (Form 990) are available for public inspection. Hope Alliance reserves the right to not disclose the names of its contributors or any other information that is deemed confidential by law, and may charge a reasonable fee for the expense of preparing a copy of any requested records or reports. These records may be archived and stored in accordance with the record retention policies contained herein. *See also Record Retention Policies.*

20.2: IRS Forms 941, W-2, W-3 and 1099 MISC

Hope Alliance through its PEO, files quarterly Wage reports using form 941 with the IRS. This activity is carried out or caused to be carried out by the Director of Finance and the Chief Executive Officer. Hope Alliance furnishes each employee with a completed IRS W-2 no later than January 31 for the previous calendar year and files W-3 with the Social Security Administration by January 28th and with the IRS by April 1st. It is the policy of Hope Alliance that it shall comply with all IRS rules that govern it.

It is also the policy of Hope Alliance to issue IRS Form 1099 MISC in accordance with IRS rules and regulations. This activity is carried out or caused to be carried out by the Director of Finance and the Chief Executive Officer. The Treasurer of the Board is charged with official oversight of this function.

20.3: Special Returns

Hope Alliance files special returns as required by law. This activity is carried out or caused to be carried out by the Director of Finance and the Chief Executive Officer. The Treasurer of the Board is charged with official oversight of these functions.

Policy 21.0 Confidentiality

It is the policy of Hope Alliance that each board member:

- Understand the importance of confidentiality in maintaining the safety of victims, their families, volunteers, employees and others related to the program,
- Be familiar with the state and federal laws, as well as Hope Alliance's policies, related to confidentiality,
- Provide written assurance to Hope Alliance that she or he will not use their position on the board to obtain, share or access confidential resident or nonresident information,
- Know who the agency's designated custodian of records is and be familiar with Hope Alliance's policies and procedures for the retention and the destruction of records, and
- Be familiar with the agency's policy and procedures for responding to court orders.

Policy 22.0 Requests for Information under the Public Information Act (PIA)

It is the policy of Hope Alliance to evaluate all requests for information under the PIA to ensure the safety of its residents, nonresidents, employees, volunteers and board members, and to be aware of the possible duties and exceptions under the PIA and to seek legal advice when such a request has the potential of jeopardizing the safety of its residents, nonresidents, employees, volunteers and board members. Hope Alliance informs its board members of third party requests for their personal or professional information.

22.1: Requests for Financial and Other Business Related (Non-Client) Documents

It is the policy of Hope Alliance that it charges reasonable costs associated with the copying or preparing a copy of public records and/or reports, which include those required under state and federal law. The Chief Executive Officer may, at his or her discretion, waive the cost of copying or preparing a copy of public records and/or reports.

22.2: Requests Records by Members

Hope Alliance does not have members or membership, and therefore does not receive requests for records by members.

Policy 23.0 Employee Record Retention

It is the policy of Hope Alliance to comply with all applicable state and federal laws regarding employment recordkeeping, and it shall keep, at least, timesheets, records of sick and other leave, overtime and payment history for at least four years.

Hope Alliance will keep records of work-related injuries and illnesses for at least five years.

It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year, in which the documents were created, may be archived and stored at a secure, remote location. Intentional destruction of records before the appropriate destruction date can only be authorized by the full board after consultation with its attorney.

23.1: Unemployment Record Retention

It is the policy of Hope Alliance that it keeps records in accordance with the Texas Unemployment Compensation Act, and keeps job descriptions for all paid employees for at least four years. It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year, in which the documents were created, may be archived and stored at a secure, remote location. Intentional destruction of records before the appropriate destruction date can only be authorized by the full board after consultation with its attorney.

Policy 24.0 Fundraising (Donations) Requirements

It is the policy of Hope Alliance that donation procedures shall comply with all IRS laws and regulations governing donations, and that all donors are provided written acknowledgment. When a donor wishes to remain anonymous or does not wish to receive a receipt or acknowledgment, it is the policy of Hope Alliance to issue the receipt to an “anonymous donor,” and record the donation in the same manner as any other donation.

24.1: Use of Tax-Exempt Donations

It is the policy of Hope Alliance that any funds derived from tax-exempt donations are used to accomplish the purposes stated in its Articles of Incorporation and in its Bylaws. Hope Alliance does not use or redirect the use of funds donated or raised for one purpose for a different purpose without obtaining written permission from the donor(s) or by other legal means.

24.2: Use of Restricted Donations

It is the policy of Hope Alliance that it uses funds donated or raised for the purpose for which they were donated or raised. In the event Hope Alliance determines that it is in the best interest of the agency to redirect such funds, it will obtain permission from the donor or file in court for permission to redirect the funds and it will give notice of such filing to the Attorney General.

Policy 25.0 Lobby and Political Activity

It is the policy of Hope Alliance that it shall not engage in partisan political activity for or against a candidate, nor does it endorse any candidate for political office. Hope Alliance has established procedures that govern the staff's activities in regard to lobbying and political activity.

Policy 26.0 Excess Benefits Rule

It is the policy of Hope Alliance that it does not engage in any transaction that violates the IRS's "Excess Benefits Rule" which restricts the use of funds to improperly benefit an individual who has a significant influence or relationship with Hope Alliance, such as its employees or directors.

Police 27.0 Hope Alliance as a Fiscal Sponsor

It is the policy of Hope Alliance that if it agrees to become a fiscal sponsor for another nonprofit, it will closely monitor the activities of the project since Hope Alliance can be held responsible for the actions of the other nonprofit.

Policy 28.0 Amending the Articles of Incorporation

It is the policy of Hope Alliance that Amendments to the Articles of Incorporation must be adopted by a majority vote of the Board of Directors.

The Articles of Amendment should be signed by the Board President or other authorized officer of Hope Alliance. Two copies of the articles should be submitted to the Secretary of State, along with the appropriate filing fee. Once the Articles of Amendment are filed with the Secretary of State, a copy will be returned with a certificate of amendment. This is a legal document that should be maintained as part of the permanent records of Hope Alliance.

28.1: Restating the Articles of Incorporation

It is the policy of Hope Alliance that Restating and/or Amendments to the Articles of Incorporation must be adopted by a majority vote of the Board of Directors.

The Restated Articles of Amendment should be signed by the Board President or other authorized officer of Hope Alliance. Two copies of the articles should be submitted to the Secretary of State, along with the appropriate filing fee. Once the Restated Articles of Incorporation are filed with the

Secretary of State, a copy will be returned with a certificate of amendment. This is a legal document that should be maintained as part of the permanent records of Hope Alliance.

Hope Alliance's Articles of Incorporation can be found in this Handbook.

Policy 29.0 IRS Letter of Determination

It is the policy of Hope Alliance to keep its IRS tax exemption letter at its principal office and to make the application available for public inspection as is required by law. *See also, Record Retention policies, and Public Information Act policies.*

Policy 30.0 Restrictions in Organizational Changes

It is the policy of Hope Alliance that it shall report to the IRS and other governmental agencies any significant changes to its purpose, activities or method of operation. It is also the policy of Hope Alliance to notify the IRS and other governmental agencies of changes in its name, articles of incorporation or bylaws and to carefully evaluate these changes to ensure that they do not affect its public charity status with the IRS. Furthermore, Hope Alliance periodically reviews its proposed budgets to insure that the level of public support has not changed substantially from the information supplied when it applied to receive its 501 (c) 3 status as a public charity.

If there is a substantial change in public support, Hope Alliance will take the steps necessary to have itself reclassified as a private foundation. Hope Alliance's fiscal year is from January to December. If Hope Alliance's Board of Directors changes its fiscal year, it shall file with the IRS the appropriate forms (currently form 1128).

Policy 31.0 Procurement Policy

A. General Policy

- 1. No conflict of Interest.** All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with Hope Alliance's conflict of interest policy. No director, employee, or agent will participate in the selection or acceptance of a contract involving a conflict of interest without the approval of the board. "Conflict of interest" includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract.
- 2. No Purchase of Items for Personal Use.** No director, employee, or agent who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.
- 3. No Receipt of Gratuities.** No director, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, clients or parties to agreements with Hope Alliance.
- 4. No Purchase of Items Not Approved in the Budget.** No director, employee, or agent shall solicit or accept any equipment, materials, supplies, or services valued over \$2,500 that have not been approved by the Board of Directors in the annual budget without prior approval of the board.
- 5. Document Cost Analysis.** The nonprofit shall conduct a cost analysis and document the analysis in the procurement files in conjunction with every purchase. The procurement file should include a justification for the lack of competition if competitive bids or offers are not obtained.
- 6. Contract with Winning Bidder.** If a contract is competitively bid, the nonprofit will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms.
- 7. Evaluate Each Contractor.** The nonprofit will evaluate each contractor at the

completion of each contract. The evaluation will be utilized to make decisions to award future contracts.

B. Acquisition Procedure

Hope Alliance will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. Hope Alliance reserves the right to reject any bids or offers, if deemed to be in its best interest.

- I. **Pricing Procedures.** One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving federal funds or involving amounts over \$500:
 - a) **Open Market Inquiry.** Hope Alliance will inquire in the open market to ensure an advantageous price and quality. The file shall document the inquiries made and offers received.
 - b) **Request for Competitive Quotes/Scopes of Work.** Hope Alliance will request competitive quotes, orally or in writing, from at least three different sources. The file shall document each invitation made and offer received.
 - c) **Formal Proposal Procedure.** Hope Alliance will solicit competitive responses through a formal bid procedure. Bids will remain sealed until the time designated in the proposal. All requests for proposals shall contain the phrase "Equal Opportunity Employer."
2. **Document Prices.** Hope Alliance shall maintain files on all quotations solicited and offers or bids received and any criteria for selection. In all instances in which the lowest bid is not awarded the contract, justification for the selection must be contained in the file.
3. **Purchases over \$2,500.00.** The Board of Directors must approve the purchase of unbudgeted items over \$2,500.00 except when items are purchased with restricted grant monies.
4. **Two Signatories on Checks.** There must be two approved signatories on all checks for unbudgeted purchases over \$2,500. The board has authorized its Chief Executive Officer and its Shelter Director to, with a single signature, issue checks on behalf of the Williamson County Crisis Center d/b/a Hope Alliance for amounts up to and including two thousand, five hundred dollars (\$2,500.00), and that the Chief Executive Officer and/or the Shelter Director are authorized, with the second signature of another authorized check signer and with the approval of a Board Officer, to co-sign any and all checks in an amount over twenty-five hundred dollars (\$2,500.00), for unbudgeted purchases.

EXCEPTION the Chief Executive Officer shall not sign, as a single signer of checks issued to the Chief Executive Officer as payee and the Shelter Director shall not sign, as a single signer of checks issued to the Shelter Director, however, checks that have been issued the Chief Executive Officer or the Shelter Director, shall be pre-approved by a Board Officer and will require two signatures.

C Property and Equipment Policy

When purchasing property (both real estate and equipment), the following procedures must be followed:

1. **Title in the Name of Hope Alliance.** All property purchased belongs to Hope Alliance and title vests with Hope Alliance.
2. **Property Inventory.** A list of all property owned by Hope Alliance shall be kept showing the type of property, identification number, original cost, and depreciated value. The

inventory list must be updated at the time of purchase and a physical inventory conducted annually.

3. Insurance Coverage. Hope Alliance will maintain insurance coverage for all property owned by Hope Alliance and maintain documentation of each policy.

D. Additional Policies When Using Federal Funds to Purchase.

1. There are four methods of procurement that are identified in the federal regulations: small purchase procedures, sealed bids, competitive proposals, and non-competitive proposals. Hope Alliance will follow all procurement requirements associated with the appropriate method.
2. Federal Debarment. Before purchasing goods using federal funds, Hope Alliance must review the Federal Government’s General Services Administration’s “List of Parties Excluded from Federal Procurement of Non-Procurement Programs” and document that the bidder is neither debarred nor suspended from doing business with the federal government nor delinquent in a debt to the United States as defined in OMB Circular A-1-29.
3. Property of Federal Government. Equipment purchased with federal funds that costs more than \$5,000 is generally considered the property of the federal government and must be disposed of through the applicable federal procedure.
4. Expanded restrictions on conflicts of interests. Because specific federal programs, such as the HOME program, require approval from the federal government before engaging in a transaction in which a conflict of interest exists, Hope Alliance shall check with the relevant federal agency before engaging in a transaction with a conflict of interest.

Policy 32.0 Sales and Use Tax Exemptions

Hope Alliance is a nonprofit which is exempt from paying sales and use tax and has a letter from the Texas Comptroller stating that the organization is exempt from paying said taxes. It is the policy of Hope Alliance to present the appropriate tax exempt documentation to vendors and merchants for all purchases made by Hope Alliance. In the event of purchases include taxes that Hope Alliance is exempt from paying, Hope Alliance will take the means necessary to have the bill or invoice corrected. In the event that a purchase has been made and an employee, volunteer or board member is requesting reimbursement for the purchase, and the purchase includes taxes for which Hope Alliance is exempt, the amount of the reimbursement shall not include the taxes that would not have been paid if proper tax exempt documentation had been presented at the time of the purchase.

32.1: Seller’s Permits and Sales Tax

It is the policy of Hope Alliance that it shall obtain a seller’s permit and resale certificate on all items it sells unless the sale falls into an exempt category (see exemptions above), and comply with all laws regarding the collection and payment of any such sales taxes.

32.2: Property Taxes

Hope Alliance as a nonprofit does not pay property taxes at this time. Hope Alliance has yet to receive an exemption from the county tax assessor’s office.

Policy 33.0 Solicitation Permits

It is the policy of Hope Alliance that it shall apply for any solicitation permit as required by local law.

Policy 34.0 Raffles Restricted

In order to be compliant with Texas State law, it is the policy of Hope Alliance that it shall hold a maximum of two raffles each year. If Hope Alliance chooses to hold such raffles, it will do so according to the pertinent laws and regulations of the State of Texas.

Policy 35.0 Secretary of State Filing 9.01

It is the policy of Hope Alliance that it shall file, at the request of the Secretary of State, a 9.01 report (form 802). This report shall include the required information which includes: the names and addresses of the corporation's officers (the board of directors); the address of the corporation's principal office, and the name and address of the agent for service of process (Hope Alliances' Chief Executive Officer).

35.1: Changes to the Name, Address, Registered Agent or Governance Documents.

It is the policy of Hope Alliance to notify the Secretary of State by filing the appropriate forms and paying any applicable fees if it changes its name, address, registered agent or adopts amendments to the articles of incorporation.

35.2: Filing Requirements – Amendments to the Articles of Incorporation

It is the policy of Hope Alliance that its Chief Executive Officer or designee shall file with the Secretary of State any amendments to the Articles of Incorporation.

35.3: Registered Agent

It is the policy of Hope Alliance that its Chief Executive Officer shall file with the Secretary of State any changes to the Registered Agent or the Registered Agent's address.

35.4: Dissolution

It is the policy of Hope Alliance that, should it dissolve, the President of the Board of Directors shall file with the Secretary of State, the Articles of Dissolution.

Policy 36.0 Changes that affect Hope Alliance's tax exempt status

It is the policy of Hope Alliance to notify the Comptroller of any change that may affect its tax-exempt status for purposes of the State's franchise tax exemption. *See also, the Compliance Checklist.*

Policy 37.0 Notification of Lawsuits

It is the policy of Hope Alliance that its Chief Executive Director shall inform the Board of Directors of any and all lawsuits in which Hope Alliance is named as the plaintiff or defendant. The Board of Directors shall report this information to the Attorney General's Office.

Policy 38.0 Employment Law Compliance

It is the policy of Hope Alliance that it shall comply with all local, state and federal employment laws including wage, antidiscrimination laws and other laws applicable to all employers in this state.

38.1: Worker's Compensation Notice

It is the policy of Hope Alliance to file the Worker's Compensation Notice in accordance with state law.

38.2: Worker's Compensation Election to Pay Contributions

It is the policy of Hope Alliance to pay contributions for unemployment insurance.

38.3: Reporting Workplace Injuries

It is the policy of Hope Alliance to report workplace injuries to its insurance carrier for each death, occupational disease, and injury that results in more than one day's absence from work for the injured employee and reports to OSHA as is required by law.

38.4: Unemployment Compensation

It is the policy of Hope Alliance, in compliance with state law, to make contributions to the unemployment compensation commission as is required by law.

38.5: Worker's Compensation

It is the policy of Hope Alliance, in compliance with state law, to provide all employees with notice of whether or not Hope Alliance has worker's compensation insurance coverage. It does so by displaying the required posters at its primary location (principal office) on a bulletin board designated for this purpose.

38.6: Employment Law Posters

It is the policy of Hope Alliance that it shall post all required employment law posters in accordance with local, state and federal law. It does so by displaying the required posters at its primary location (principal office) on a bulletin board designated for this purpose.

38.7: Texas New Hire Report

It is the policy of Hope Alliance to file the Texas New Hire Report in accordance with state law.

38.8: Employer's Status Report: TWC Form C-1

It is the policy of Hope Alliance to file the Employer's Status Report in accordance with state law.

Policy 39.0 Drug-Free Workplace

Hope Alliance has developed and implemented a drug-free workplace policy, which is set out in detail in the Employee Handbook.

Policy 40.0 Texas Taxpayer Questionnaire

It is the policy of Hope Alliance to file the Texas Taxpayer Questionnaire in accordance with state law.

Policy 41.0 Insurance Coverage

It is the policy of Hope Alliance to reduce its potential risks by carrying appropriate insurance including, but not limited to, commercial property, general liability, commercial crime, professional liability, commercial automobile, directors and officers, cybercrime, accident and workers compensation/employer liability.

Policy 42.0 General Record Retention

It is the policy of Hope Alliance that its records are retained in accordance with all state and federal laws and in accordance with funders' requirements. Hope Alliance maintains its records at its principal office, located at 1011 Gattis School Road, Suite 106, Round Rock, Texas 78664.

It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year, in which the documents were created, may be archived and stored at a secure, remote location. Intentional destruction of records not otherwise classified below can only be authorized by the full board after consultation with its attorney.

42.1: Governance Record Retention

It is the policy of Hope Alliance that its governance records including its Articles of Incorporation, Bylaws, and Minutes are retained in accordance with all state and federal laws and in accordance with funders' requirements. These records are retained for perpetuity. Hope Alliance maintains these records at its principal office, located at 1011 Gattis School Road, Suite 106, Round Rock, Texas 78664.

It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year, in which the documents were created, may be archived and stored at a secure, remote location. Intentional destruction of this classification of records can only be authorized by the full board after consultation with its attorney.

42.2: Fidelity Bonds & Insurance Policy Record Retention

It is the policy of Hope Alliance that its fidelity bonds, insurance policies and related records are retained in accordance with all state and federal laws and in accordance with funders' requirements. These records are retained for perpetuity. Hope Alliance maintains these records at its principal office, located at 1011 Gattis School Road, Suite 106, Round Rock, Texas 78664. It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year in which the documents were created, may be archived and stored at a secure,

remote location. Intentional destruction of this classification of records can only be authorized by the full board after consultation with its attorney.

42.3: Financial and Audit Record Retention

It is the policy of Hope Alliance that its financial records including operating budgets, amendments, budget summaries, and audits for all past years are retained in accordance with all state and federal laws and in accordance with funders' requirements. These records are retained for perpetuity. Hope Alliance maintains these records in a secure location.

It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year in which the documents were created, may be archived and stored at a secure, remote location. Intentional destruction of this classification of records can only be authorized by the full board after consultation with its attorney.

42.4: Funder Required Documentation Record Retention

It is the policy of Hope Alliance that its funder required documentation shall be retained in accordance with all state and federal laws and in accordance with funders' requirements. Hope Alliance maintains these records at its principal office, located at 1011 Gattis School Road, Suite 106, Round Rock, Texas 78664.

It is the policy of Hope Alliance that records that have been in existence for greater than three (3) years after the close of the fiscal year, in which the documents were created, may be stored at a secure, remote location. The intentional destruction of this classification of records can only be authorized by the full board after consultation with its attorney.

42.5: Living Document Maintenance and Retention

It is the policy of Hope Alliance that it shall maintain and keep current:

- Board Handbook and all the required materials,
- Policies that include confidentiality, personnel, financial and travel, and
- Documents required by state and federal laws and in accordance with funders' requirements.

These documents are considered "living" documents, and by their very nature, require updating to remain effective. These records are maintained and kept current, at Hope Alliance's principal office, located at 1011 Gattis School Road, Suite 106, Round Rock, Texas 78664.