

NATIONAL COUNCIL FOR BEHAVIORAL HEALTH

POLICIES AND PROCEDURES OF THE NATIONAL COUNCIL BOARD OF DIRECTORS

Approved 9/15/2016

Introduction

The purpose of this document is to provide a summary of policies and procedures adopted by the National Council Board of Directors (National Board) since its inception in August 1970, and any amendments since. All of the policies identified herein are taken from the National Council bylaws, most recently amended in September 2014, official minutes, or reports approved by these bodies.

All boxed sections quoted directly from bylaws.

Official statements by the National Board in relation to legislative, regulatory, or national public policy issues are not included, due to the evolving nature of national policy formation and changing industry needs.

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NATIONAL COUNCIL BOARD OF DIRECTORS

POLICIES & PROCEDURES

Updated to reflect Bylaws Revision (9/25/2014)

National Board: Composition & Eligibility

The National Board is composed of four officers (Chair, First Vice Chair, Second Vice Chair, and Secretary-Treasurer), twenty (20) Regional Directors, two (2) State/Association Directors, the Public Policy Committee Chair, no more than two (2) directors representing any Membership Section, a maximum of six (6) At-Large Directors, and the Immediate Past Chair.

With the exception of At-Large Directors, National Board members shall be a community board member or staff person affiliated with a National Council voting member. Board membership is limited to one (1) board seat per National Council member organization, regardless of state/region. For purposes of Board membership, a National Council member organization, shall be interpreted to include any and all other corporations, limited liability companies, partnerships, or other organizations with which the member organization is affiliated, wherever located, regardless of the direct or indirect nature of the affiliation, percentage of ownership, degree of direct or indirect control, for profit/not for profit status, or any other factors. As used herein, an affiliate of a member organization is one which has any ownership in, any control of, or is under common control with, the member organization. (Bylaws, Article IV, Section 3)

All board members shall be bound by all applicable policies as established and adopted by the National Board. All terms begin July 1st, unless otherwise stated. (Bylaws, Article IV, Section 2)

Election & Term Officers

The election of Officers is overseen by the Nominating Committee. All Officers are elected concurrently during “odd” years (ex. 2015, 2017, 2019, etc), unless filling a vacancy.

Any member of the National Board, eligible as a staff or community board member, affiliated with a National Council voting member organization, and in good standing at the time of the election, shall be eligible for election to any office. (Bylaws, Article V, Section 1)

Officers shall serve a two (2) year term and shall not be elected to consecutive complete terms of the same office (Bylaws, Article V, Sections 2, 3)

Members of the Nominating Committee may not be officer candidates.

At-Large Directors are eligible to serve as officers, so long as they meet officer eligibility requirements (eligible as a staff or community board member, affiliated with a National Council voting member organization and in good standing at the time of election.).

At-Large Directors shall be voting members of the National Board. (Bylaws, Article IV, Section 2) ... *Officer Eligibility* - Any member of the National Board, eligible as a staff or community board member, affiliated with a National Council voting member organization, and in good standing at the time of the election, shall be eligible for election to any office. (Bylaws,

Article V, Section 1) ... *Voting Member Organization* – Any entity or association of entities that directly provides behavioral healthcare services and subscribes to the vision and mission statements of the National Council. Any member from within a 100% Association/100% State shall carry forward their voting status as determined by the Association/State. (Bylaws, Article III, Section 2)

Succession Planning: In order to encourage a continuity of leadership, it is expected that a succession will exist from First Vice Chair to Board Chair. There is no other direct succession plan among board officers. (Bylaws, Article V, Section 2)

Regional Directors

Two (2) board members shall be elected from each of ten (10) regions. The two (2) Regional Directors should be, but are not required to be, located in different states within the respective region. In choosing candidates for Regional Directors in each region, it is strongly urged that community board members, as well as staff members, be considered for these positions. ... Such elections shall be completed at least thirty (30) days prior to the beginning of all board terms (July 1st). (Bylaws, Article IV, Section 2/4)

During the year in which a Regional Director's term expires, the Nominating Committee shall direct staff and the other board member in the respective region to solicit nominations for the position from among the National Council voting members, each member organization being limited to one (1) nominee for each position. If no more than one (1) person is nominated for any position, that person's election shall be presumed, and the committee shall then certify the board member's election. (Bylaws, Article IV, Section 4)

If more than one (1) person is nominated for each Regional Director position, the Nominating Committee shall submit a ballot to all National Council voting members in the region, listing all nominees, together with biographical data. Each National Council voting member in the region shall have one (1) vote. All communications and voting may take place electronically. The Nominating Committee shall then certify the election and bring to the National Board for final approval. (Bylaws, Article IV, Section 4)

Each Regional Director shall serve a three (3) year term. The term of each Regional Director shall be staggered as determined by the National Board so that, within each region, the terms of each Regional Director do not expire during the same year. The term of office for each Regional Director shall commence July 1st of the year in which an election is held; if said election is held after July 1st, then the Regional Director's term of office shall commence immediately upon election. The Regional Director's term of office shall continue for three (3) years or until a qualified successor is elected. A Regional Director shall serve no more than two (2) complete three (3) year terms in succession. (Bylaws, Article IV, Section 5)

Association/State Directors

Two (2) board members shall be elected from the Association Executives Committee to represent member associations/states as follows: the Association Executives Committee Chair shall serve as a National Board member, representing all Associations/States; the 100% Associations/100% States shall also elect a representative to the National Board. (Bylaws, Article IV, Section 2)

A 100% Association/100% State is defined as an association of entities that directly or indirectly provides behavioral healthcare services, or a state agency that directly or indirectly provides behavioral healthcare services. All members of the association or agencies within the state are considered National Council members. Membership dues are paid by the

Association/State to the National Council. Dues for 100% Associations/100% States are set annually by the National Board. (Bylaws, Article IV, Section 2)

A Non-100% Association/State is defined as an association/state that joins the National Council directly, and does not purchase the 100% membership for all their members/agencies. Only the association/state staff and community board members have access to member benefits. Members of the association and/or local agencies of the state may join the National Council as Stand Alone Members. Dues for Non-100% Associations are set annually by the National Board. (Bylaws, Article IV, Section 2)

Two (2) board members shall be elected by the Association Executives Committee. *Article VIII (Association Executives Committee), Section 1 (Composition, Election, and Term)* (Bylaws, Article IV, Section 4)

The two (2) board members elected from member Associations/States shall each serve no more than two (2) consecutive two (2) year terms. (Bylaws, Article IV, Section 5)

Public Policy Committee Chair

The Public Policy Committee Chair shall serve as a National Board member. (Bylaws, Article IV, Section 2)

The Public Policy Committee Chair shall be elected by the Public Policy Committee. (Bylaws, Article IV, Section 4: Article XIII, Section 1)

The Public Policy Committee Chair shall serve no more than two (2) consecutive two (2) year terms. (Bylaws, Article IV, Section 5)

Membership Section Directors

The National Board may choose to establish special interest membership sections with related structure, dues and benefits as it deems appropriate. Section purpose, membership eligibility, eligibility for voting, number of National Board seats, and term length, as applicable, are to be established at the time the section is created. ... number of National Board members, which shall not exceed two (2), for a specified term, which shall not exceed three (3) years, to be elected by the voting members of that membership section. (Bylaws, Article III, Section 3; Article IV, Section 2)

Any individual elected to the National Board as a Membership Section Director shall be affiliated with a National Council voting member in addition to their affiliation with the membership section. (Bylaws, Article IV, Section 3)

The National Board shall designate the number of board members to represent a membership section, as well as the length of terms to be served. Membership Section Directors shall be elected by the voting members of the section, at a time to be determined by the National Board. (Bylaws, Article IV, Section 4)

Terms for Membership Section Directors shall be determined by the National Board at their time of creation, but shall not exceed three (3) years. (Bylaws, Article IV, Section 5)

At-Large Directors

The National Board may also create for a specified term, which shall not exceed three (3) years, a maximum of six (6) additional members who need not necessarily be affiliated with a National Council voting member, but each of whom shall possess a particular background or expertise that will help to advance the goals of the National Council. The National Board will determine the method of election or appointment, term length, and affiliation requirements of At-Large Directors at their time of creation. At-Large Directors shall be voting members of the National Board. (Bylaws, Article IV, Section 2/5)

Election of At-Large Directors is to be completed by a majority vote of the National Board. At-Large Director positions may be filled at meetings of the National Board other than the two (2) semi-annual meetings regularly scheduled. Candidates for At-Large Directors are to be presented by the Nominating Committee, in consultation with the Executive Committee, and voted on by the full National Board. (Bylaws, Article IV, Section 4)

Eligibility: Candidate nominations may come from a member of the National Board and/or any National Council member organization. Candidates who are eligible nominees through the regional elections process are not ineligible to run for seats as At-Large Director but it is expected that the candidates for At-Large Directors bring a different background/expertise to their service to the Board. At-Large Directors are voting members of the National Council National Board.

There is no requirement for all six (6) At-Large Director positions to be filled at all times. As needed, to be determined by the National Board, vacant At-Large Director seats may be filled at alternate times. A rolling elections process can take place to fill vacant At-Large Director seats. If elections do not take place at the regularly scheduled Board meetings, voting may be done by phone or electronic format (web, email) over a specified period of time (usually one month). Prior notice will be given to all Board members regarding an upcoming election.

Elections Process: The Nominating Committee will set forth a process and timeline to recruit nominations to fill At-Large Director seat(s). The call for nominations will be an open process, advertised to collect a broad pool of candidates. All nominations will be submitted to the Nominating Committee. The Nominating Committee will collect and review all nominations for At-Large Directors and in consultation with the Executive Committee, will make recommendations to the National Board for a vote.

Serving as Officers: At-Large Directors are eligible to serve as officers, so long as they meet officer eligibility requirements (eligible as a staff or community board member, affiliated with a National Council voting member organization and in good standing at the time of election.).

Immediate Past Chair

The Immediate Past Chair shall serve as a voting member of the National Board. (Bylaws, Article IV, Section 2)

Leadership Positions and Term Limits

Election to Leadership Positions: If elected into a leadership position, the board member relinquishes their previous Board position, and an election will be held to fill the vacancy. (Bylaws, Article IV, Section 5)

- If any board member is elected as an officer and less than one (1) year remains on their term, the election to fill that seat will take place during the next regularly scheduled elections cycle. If more than one (1) year remains, a special election will be held, the timeframe to be determined by the Executive Committee.
- This applies to all leadership positions, including Regional Directors, Association/State Directors, Membership Section Directors, and the Public Policy Committee Chair, etc. A leadership and non-leadership position should not be held concurrently.

Officers Elections: If any board member elected as an officer relinquishes their previous position, an election will be held to fill the vacancy. *Article IV (National Board), Section 5 (Term).* (Bylaws, Article V, Section 2)

Note: The requirement to “relinquish previous board positions” was written for instances in which a board member unnecessarily holds two seats; for example, when a Regional Director is elected to be an Officer, if the Regional Director term does not expire concurrently, a special election can be held to fill the term. It does NOT apply, for example if a Regional Director is appointed to be the Membership Committee Chair, as it is a requirement that the Membership Committee Chair be a board member, the board member would not be required to relinquish their Regional Director position; the same would apply to the Audit Committee Chair (and board members serving on the Audit Committee), Nominating Committee Chair (and board members serving on the Nominating Committee), and Additions Committee Chair.

Board Terms/Term Limits:

- Officers: Serve two (2) year terms; may not be elected to consecutive complete terms of the same office
- Membership Section Directors: Term length is set at the time of creation, not to exceed three (3) years; there is no limit to re-election.
- Regional Directors: Serve three (3) year terms; may not serve more than two (2) complete three (3) year terms in succession.
- At-Large Directors: Term length is set at the time of election, not to exceed three (3) years; there is no limit to re-election.

Leadership Position Terms/Term Limits: Leadership positions with terms similar to Officers – serve two (2) year terms; may not serve more than two (2) consecutive two (2) year terms.

- Association/State Directors
 - Association/State Executives Committee Chair
 - 100% Association/State Representative
- Public Policy Committee Chair
 - Public Policy Committee Vice Chair: This is an elected leadership position that is NOT a board seat
- Additions Committee Chair* (appointed by the Board Chair**)
- Audit Committee Chair (appointed by the Board Chair**)
- Membership Committee (appointed by the Board Chair**)
- Nominating Committee Chair* (elected with other members of the Nominating Committee by the full board)

Finance & Administration Committee Chair/Secretary-Treasurer: Term is set by Officer election; one (1) two (2) year term.

Nominating Committee members: Are all board members elected by the full board; serve two (2) year terms; no limit on re-election.

*Detailed in Policies & Procedures, not bylaws as other terms/term limits are

**Appointed committee chair terms expire with the term of the Board Chair; they may continue to serve as committee chair, to be determined by the next Board Chair

Note: If a vacancy is filled, the remainder of that term of office is not counted against the new seat-holder's term limits. Ex: If a Regional Director is elected to fill a vacant seat that has two years remaining on the term, that board member may serve those two years, then be re-elected to serve an additional two (2) three (3) year terms.

National Board: Role & Responsibilities

The National Board shall act as agent of the full National Council with authority to manage and control the property and affairs of the National Council. All the corporate powers, except as are otherwise provided for in these bylaws and in the laws of the District of Columbia, shall be and hereby are vested in and shall be exercised by the National Board. The National Board shall establish the policies of the National Council, and shall create such committees as it deems necessary. Minutes of regular and special meetings of the National Council shall be available to all National Council members. (Bylaws, Article IV, Section 2)

Compensation: National Council board members shall not receive any stated salary for their services as such, but by resolution of the National Board a fixed sum or expenses of attendance, if any, or both, may be allowed for attendance at each regular or special meeting of the National Board. The board shall have the power in its discretion to contract with and authorize payment or special compensation to board members rendering unusual or exceptional services to the National Council, appropriate to the value of such services. (Bylaws, Article IV, Section 12)

Agents and Representatives: The National Board may appoint such agents and representatives of the National Council, with such powers and to perform such acts or duties on behalf of the National Council, as the National Board may see fit. (Bylaws, Article IV, Section 18)

Signature Authority Policy: The National Board shall establish signature authority limits. The Secretary-Treasurer is designated by the National Board to sign all standard banking resolutions on behalf of the corporation and to approve all staff persons designated as a staff signatory for investment or asset accounts. The Executive Committee may act on behalf of the entire National Board in accordance with its delegated duties. (Bylaws, Article IV, Section 19)

President and Chief Executive Officer: The National Board shall hire a President/Chief Executive Officer, responsible for development and implementation of policies and procedures established and adopted by the National Board and required for effective daily operations of the organization. All administrative policies and procedures shall be developed within the guidelines established by the governing policies of the National Board. The operational affairs of the National Council shall be the responsibility of the President/Chief Executive Officer and administered by him/her with the assistance of staff. The responsibility for selection, placement, hiring and firing of personnel shall be vested in the President/Chief Executive Officer. The National Board, individually and collectively, shall refer promptly all criticisms, complaints and suggestions called to its attention, to the President/Chief Executive Officer for review and recommendations. Except when present in person at National Board or Committee meetings, communication between the President/Chief Executive Officer and the National Board should be through the Board Chair. (Bylaws, Article XIV, Section 1)

The National Board acts as an agent for the National Council for Behavioral Health with authority to manage and control the property and affairs. The National Board meets at least twice each year.

Orientation will be provided for all new National Board members prior to or during their first Board meeting.

The duties and responsibilities of all members of the National Board are as follows:

1. Determine the vision, mission, goals and policies of the National Council.
2. Identify areas of interest and/or concern in the field of community behavioral health and to adopt appropriate positions or initiate appropriate actions.
3. Develop legislative action on behalf of community behavioral healthcare providers.

4. Serve in appointed capacities on Board committees and/or task forces in order to enhance the efforts of the National Council.
5. Attend all Board meetings and participate in Board conference calls. Board members are strongly encouraged to attend the annual conference. Expenses for travel, lodging etc. to attend Board meetings, the annual conference, or other meetings on behalf of the National Council are the responsibility of the individual Board member and/or the National Council member organization with whom the Board member is affiliated. However, financial concerns should not inhibit Board member participation in National Council activities. Funds are available as needed for travel and expenses, per request. Teleconferencing expenses will be borne by the National Council.
6. Promote interest in and knowledge of community behavioral health issues and public policy issues affecting our industry.
7. Actively promote membership in the National Council and assist in member recruitment and renewal efforts; communicate with National Council member organizations on a regular basis.
8. Encourage the Board to be culturally, ethnically, and geographically diverse.
9. Actively seek out members of community boards affiliated with National council voting members for positions on the National Board.
10. Annually evaluate and negotiate contract and salary for the President & Chief Executive Officer.
11. Adhere to the National Council Board of Director's Code of Ethics.

Officers

All officers shall serve as officers of the National Board and as officers of the corporation. (Bylaws, Article V, Section 4)

Officers shall serve a two (2) year term. The respective terms of office shall commence on July 1st of the year in which the election takes place, provided that the election has occurred prior to that date. If no election for that year has been held prior to July 1st of any given year, then the newly-elected officer's term shall begin on the date when the election is completed. In either event, the respective terms of office shall end on June 30th of the second year of the respective terms. (Bylaws, Article V, Section 3)

Chair

The Board Chair shall preside at all meetings of the National Council, the National Board and the Executive Committee; call such meetings as shall be deemed necessary and as required by these bylaws; appoint committee chairs unless otherwise provided within these bylaws; oversee the affairs of the organization; be an ex-officio member of all committees except the Nominating Committee; and perform such other duties as the National Board may direct. (Bylaws, Article V, Section 4)

The Chair represents the entire membership, the National Board and the best interests of the National Council. The Chair exercises personal leadership in the motivation of other officers, Board members, committee members, staff and the membership. The Chair influences the establishment of goals and objectives for National Council and acts as spokesperson and inspirational leader and takes an important part in monitoring and evaluating organizational performance and effectiveness. The Chair works closely with the President & Chief Executive Officer.

Within the limits of the articles of incorporation, bylaws and policies, the Chair is responsible and has commensurate authority to accomplish the duties set forth below:

1. Preside at and attend all meetings of the membership, National Board and Executive Committee. The Chair coordinates the agenda with the President & Chief Executive Officer.

2. Appoint chairpersons and members of standing, task forces, board liaisons, and other appointments as the Board may deem necessary. The Chair is an ex-officio member of all committees, except the Nominating Committee.
3. Consult, advise and work with the President & Chief Executive Officer in ensuring that basic policies and programs that will further the goals and objectives of National Council are planned, formulated and presented to the National Board.
4. Ensure, together with the President & Chief Executive Officer, that the National Board is kept fully informed on the conditions and operations of National Council.
5. Support the policies adopted by the National Board and the operational procedures implemented by the President & Chief Executive Officer.
6. Promote interest and active participation in National Council on the part of the membership and report activities of the National Board and National Council to the members by means of letters, publications or speeches.
7. Act, together with the President & Chief Executive Officer, as spokesperson for National Council to the press, the public, legislative bodies and related organizations.
8. Meet with the President & Chief Executive Officer on a regular basis.
9. Maintain a familiarity with the bylaws and policies and to see that the organizational structure and policies of National Council are reviewed annually with the President & Chief Executive Officer.

First & Second Vice Chairs

The First Vice Chair and Second Vice Chair shall perform such leadership roles and duties as the Board Chair or the National Board may direct. (Bylaws, Article V, Section 4)

In order to encourage a continuity of leadership, it is expected that a succession will exist from First Vice Chair to Board Chair. There is no other direct succession plan among board officers. (Bylaws, Article V, Section 2)

In the event of absence, resignation, disability or death of the Board Chair, the First Vice Chair shall automatically succeed to the office of Chair without the requirement of an election, and shall possess all the powers and perform all duties of the office of Board Chair, until such time as the National Board shall elect a successor. Should further succession be required prior to election by the National Board, the order of succession to the office of Board Chair shall be: First Vice Chair, Second Vice Chair, Secretary-Treasurer. (Bylaws, Article V, Section 2)

Within the limits of the articles of incorporation, bylaws and policies, the First and Second Vice Chairs are responsible to accomplish the duties set forth below, following the order of succession noted above.

- Attend all meetings of the membership, National Board and the Executive Committee.
- Serve on the Executive Committee and preside in the absence of the Chair.
- Develop and maintain familiarity with the bylaws, policies and parliamentary procedures of the National Council.
- Confer with the Chair and the President & Chief Executive Officer, as requested.
- Represent National Council as requested by the Chair and to perform such other duties as may be assigned by the Chair.

Secretary-Treasurer

The Secretary-Treasurer shall be responsible for keeping minutes of all meetings of the National Council, the National Board and the Executive Committee, and shall supervise the custody of all records and funds of the organization. To the extent possible, the Secretary-Treasurer will have substantial experience with financial statements and reports, as well as the operation of non-profit organizations with budgets comparable to that of the National Council. The Secretary-Treasurer shall disburse funds as directed by the National Board; present financial reports at the National Board's scheduled meetings

and, when requested by the National Board, at the annual membership meeting; serve as Chair of the Finance & Administration Committee; and perform such additional duties as the Board Chair or the National Board may direct. (Bylaws, Article V, Section 4)

Signature Authority Policy: ...The Secretary-Treasurer is designated by the National Board to sign all standard banking resolutions on behalf of the corporation and to approve all staff persons designated as a staff signatory for investment or asset accounts. ... (Bylaws, Article IV, Section 19)

The Secretary-Treasurer keeps, or causes to be kept, the minutes of the meetings of the membership, the National Board and the Executive Committee and serves as the chief financial liaison between the National Board and staff.

Within the limits of the articles of incorporation, bylaws and policies, the Secretary-Treasurer is responsible and has commensurate authority to accomplish the duties set forth below:

1. Attend all meetings of the membership, National Board and the Executive Committee. To give written notice to each member of the time and place of each annual business meeting at least 60 days prior to the meeting.
2. Serve on the Executive Committee.
3. Serve as Chair of the Finance and Administration Committee.
4. Ensure that minutes of all meetings of the membership, including the annual membership meeting, are kept, distributed, and approved by the appointed Committee to approve the membership meeting minutes.
5. Ensure that minutes of all meetings of the National Board and Executive Committee are kept, distributed, and approved by the Board.
6. Through the President & Chief Executive Officer, ensure that any papers, budgets, proposals, reports or other documents relating to matters adopted by the Board are attached to the permanent, complete copy of the minutes.
7. Present Finance and Administration Committee reports to the National Board at its meetings.
8. Prepare, or cause to be prepared, an annual financial report to be included in the annual report of National Council.
9. Through the President & Chief Executive Officer, ensure that generally approved accounting procedures are followed by the staff and the National Board.
10. Assist the annual independent audit as may be requested.
11. Serve as consultant on financial issues to the National Board.
12. Sign all standard banking resolutions on behalf of the organization.
13. Represent the National Council as requested by the Chair and to perform such other duties as may be assigned by the Chair.

At-Large Directors

(Approved, Board Meeting 5/4/2007)

At-Large Directors are expected to help the National Council be more effective in a specific area. At-Large Director seats are a tool for the National Council to bring in a particular expertise/functioning. There is an expectation that the needs of the National Council will change over time, as will the specific areas of expertise for At-Large Directors. At-Large Directors are voting members and serve as advisors to the National Board.

BOARD COMMITTEES

The National Board shall create such standing committees, ad hoc or other temporary committees, task forces, and/or study councils as it deems appropriate. The National Board shall specify the purpose, composition and duration of any such entity. (Bylaws, Article VII, Section 1)

Standing committees of the National Board include (Bylaws, Article VII, Section 2): the Association Executives Committee, Finance & Administration Committee, Membership Committee, Nominating Committee, and Public Policy Committee

Committee Chairs

The Board Chair shall appoint a chairperson and members to each such entity, unless otherwise provided within these bylaws. All committee chairs shall be current members of the National Board. (Bylaws, Article VII, Section 3)

Appointed committee chair terms expire with the term of the Board Chair; they may continue to serve as committee chair, to be determined by the next Board Chair

New Committees, Task Forces, Study Councils

Shall consist of at least two (2) National Board members, but may also include individuals not currently seated on the National Board, although each committee member shall be affiliated with a National Council member organization. (Bylaws, Article VII, Section 3)

The Board Chair may appoint a Task Force or Study Council Chair whom does not need to be a member of the National Board, and may delegate authority to the Task Force/Study Council Chair to appoint/invite committee members to participate, whom also do not need to be members of the National Board. Members of Board Committees, Task Forces and Study Councils should be affiliated with a National Council member organization.

Off-Board Appointments

Committees... may also include individuals not currently seated on the National Board, although each committee member shall be affiliated with a National Council member organization. Terms of service for any non-board appointee shall automatically expire with the term of the Board Chair. The Board Chair may also appoint committee members unaffiliated with a National Council member organization for special purposes, if approved by a majority vote of the Executive Committee. Committee members, unless elected pursuant to these bylaws, are not deemed to be members of the National Board. (Bylaws, Article VII, Section 3)

The Chair may make off-board appointments without Executive Committee involvement, provided the candidate is affiliated with a National Council member organization, with the exception of the Audit Committee.

Audit Committee members shall be recommended by the Executive Committee, and voted on by the full National Board. (Bylaws, Article IX, Section 1)

Committee Quorum and Voting

A majority of the members of the committee shall constitute a quorum. All committee members are eligible to vote on matters before the committee, regardless of their standing as National Board members, or their affiliation with a National Council member organization. Any matters requiring the vote of the full National Board must be brought as recommendations from the committee. (Bylaws, Article VII, Section 4)

Staff Support for Committees

Staff may be assigned to serve the committee and will coordinate activities with the Committee Chair. Staff may act as a facilitator to help the Chair and coordinate work with other committees, as necessary.

Staff, working with the Chair, may identify what needs to be done and the directions to be taken, and aids in drafting resolutions to come before committee or National Board meetings. Staff may also supply research, reports and materials as needed, participate in discussions, offer recommendations and review policies that may affect committee deliberations.

Board Committees: Role & Responsibilities

The purpose of a Board committee, task force or study council is to plan strategically, study and discuss policy issues and problems, and make recommendations to the National Board within that area.

The Chair assigns and coordinates the work of the committee and makes sure assignments are being handled by all committee members between meetings. Committee members work through the Committee Chair to obtain any necessary staff support via the staff liaison.

Executive Committee

The Executive Committee meets prior to the Board meetings and acts on behalf of the full Board at any time as called by the Chair. The Board shall ratify actions authorized by the Executive Committee. The Board Chair may also include off-board appointees as non-voting members of the Executive Committee as needed to add expertise.

The Executive Committee shall consist of the Board Chair, First Vice Chair, Second Vice Chair, Secretary-Treasurer, Immediate Past Chair and other National Board members whom the Board Chair may designate. The Executive Committee shall exercise the power of the National Board in matters requiring action between meetings of the National Board, and in such other matters may be designated by the National Board or these bylaws. A report of all actions taken shall be submitted to the National Board in the form of minutes of Executive Committee meetings. (Bylaws, Article IV, Section 8)

Election of At-Large Directors: Candidates for At-Large Directors are to be presented by the Nominating Committee, in consultation with the Executive Committee, and voted on by the full National Board. (Bylaws, Article IV, Section 4); the Nominating Committee Chair shall work with the Board Chair, Executive Committee, and staff to determine the

qualifications and desirability of any candidate to be considered for an At-Large Director position on the National Board. Candidates for At-Large Directors are to be presented by the Nominating Committee and voted on by the full National Board. (Article XII, Section 2)

Elections Challenges: The Executive Committee shall have full authority to make the final determination with regard to the challenge, and to take any appropriate actions, but it may, in its sole discretion, defer any such determination to the full National Board. (Bylaws, Article IV, Section 4)

Special Elections: If more than one (1) year remains, a special election will be held, the timeframe to be determined by the Executive Committee. (Bylaws, Article IV, Section 5)

Temporary Board Vacancies: The Executive Committee, after consultation with the affected region's other board member, may appoint an Interim Director representing the same category (community or staff) to serve no more than thirty (30) days, although the interim term may be renewed by the Executive Committee, if deemed appropriate and in the best interests of the National Council.

Removal of a National Board Member: An action to remove a National Board member may be initiated (1) by any National Council member organization, in writing to the Executive Committee; or (2) by a majority vote of the Executive Committee. Any such written request shall specify the reasons for the request. It is the responsibility of a board member to notify the Board Chair or Nominating Committee Chair of any change in status that may affect their eligibility to serve. The Nominating Committee shall review the issue and provide recommendation to the Executive Committee for any action to be taken. Once a request has been initiated, the Executive Committee shall review the issue and provide recommendation to the full board for a vote, if necessary. The Executive Committee may suspend participation in board activities for the board member sought to be removed, as necessary, until any action is completed. (Bylaws, Article IV, Section 4)

Signature Authority Policy: The National Board shall establish signature authority limits. ...The Executive Committee may act on behalf of the entire National Board in accordance with its delegated duties. (Bylaws, Article IV, Section 19)

Committee Composition (Off-Board Appointments): The Board Chair may also appoint committee members unaffiliated with a National Council member organization for special purposes, if approved by a majority vote of the Executive Committee. (Bylaws, Article VII, Section 3)

Audit Committee Composition: Audit Committee members shall be recommended by the Executive Committee, and voted on by the full National Board. (Bylaws, Article IX, Section 1)

Nominating Committee Composition: The Executive Committee shall solicit suggestions for committee members and shall propose a slate of candidates to the full National Board, including recommendations for the Nominating Committee Chair. (Bylaws, Article XII, Section 1)

Bylaws Amendments: Text of any proposed bylaws amendment(s) shall be submitted to the Executive Committee, clearly stating the purpose of the proposed amendment, the existing section to be amended, and the exact language of the proposed amendment. Once a request has been initiated, the Executive Committee shall have at least thirty (30) days to review the proposed amendment(s) and provide recommendation to the full board for a vote, if necessary. (Bylaws, Article XV, Section 1)

The Executive Committee

- Develops actions for consideration by the National Board.
- Advises the National Board on matters related to goal setting for the future of the National Council.
- May discuss contract issues, including salary, in Executive Session without the President & Chief Executive Officer being present.
- May act as the agent of the National Board between regular or special meetings of the Board.

- Provides for the ongoing evaluation of the President & Chief Executive Officer according to the evaluation system adopted by the National Board. The full National Board evaluates the President & Chief Executive Officer on an annual basis.
- Advises the National Board on questions of conflict of interest, professional actions, moral behavior, etc., with regard to National Board members, the President & Chief Executive Officer, and those persons acting on behalf of the National Council, as these matters are referred to the committee.
- Provides a framework for the full Board to evaluate the needs/priorities of the National Council where At-Large Directors may be able to provide expertise. The Nominating Committee will be advisory to the Executive Committee in this process. Staff will provide background on needs/priorities.

Executive Session of the National Board

While all meetings of the National Board and its committees are generally open to all National Council members, the National Board may meet in Executive Session, during which non-National Board members are excluded. The National Board may go into Executive Session upon a motion to do so, properly seconded, and upon a vote of the majority of members present. Matters to be discussed in any Executive Session are limited to the following (Bylaws, Article IV, Section 9):

1. Pending or possible litigation, or pending or possible administrative inquiry or similar investigation;
2. Contracts
3. Real estate transactions, including leases; and
4. Personnel matters involving National Board members and/or National Council staff.

A motion to go into Executive Session shall specify the nature of the business to be discussed. Minutes of the Executive Session shall be recorded and shall reflect any actions taken during that meeting. Attendance during any Executive Session shall be limited to the members of the National Board, and such staff and other persons as the Board Chair may request to be present. (Bylaws, Article IV, Section 9)

No matters, except those set forth above, shall be the subject of discussion in executive session. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in that particular session.

Addictions Committee

Approved 6/24/2014

As required by the new bylaws, and following the approval of the updated bylaws by the membership and completion of the SAAS merger, the Executive Committee put forward a recommendation to create a new Addictions Committee for a duration of three (3) years, to be composed of addictions-related member representatives. The Board Chair will appoint the Addictions Committee Chair.

The purpose of the Committee is to focus on addictions treatment and prevention related issues and to engage with the National Board and staff to continue to grow the National Council's portfolio in this arena.

Association Executive Committee

The Association Executives Committee is composed of the executives of all member Associations/States, or representatives determined by each Association/State if there is no paid executive. Two (2) members of the National Board are elected by the Association Executives Committee as follows (Bylaws, Article VIII, Section 1):

- The Committee Chair is elected by all members of the Committee and serves as a National Board member;
- The second member of the National Board is elected by the “100% Associations/100% States” only.
- Both Committee Chair and 100% Association/State Representative may not serve more than two (2) consecutive two (2) year terms of office. Election of the Committee Chair will take place in the same year as the election of board officers. Election of the 100% Association/State Representative will take place in the off-year.

The Association Executives Committee provides a forum for the discussion of priority issues facing the behavioral healthcare industry, and makes recommendations to the National Board regarding public policy, workforce development, practice improvement, and other issues relevant to National Council member organizations. The Committee also advises National Council staff in outreach and communication efforts within individual states, and of issues that impact National Council member organizations across state and regional boundaries. (Bylaws, Article VIII, Section 2)

Election of the Association Executives Committee Chair takes place in odd-years concurrent with the election of Board Officers (ex. 2015, 2017, 2019, etc.). Election of the 100% Association/State Representative will take place in even-years (ex. 2016, 2018, 2020, etc.) unless filling a vacancy.

- The Association Executives Committee provides a forum for Association/State Executives to discuss priority issues facing them in the behavioral healthcare industry; provides an opportunity for open and honest communication.
- Makes recommendations to the National Board along public policy, workforce development, practice improvement, and other issues relevant to National Council member organizations.
- Advises staff in outreach and communication efforts within individual states, and of issues that impact National Council member organizations across state and regional boundaries.
- Coordinates with the Membership Committee on issues related to recruitment, retention, member benefits and “value of membership,” where appropriate.
- Assists policy staff with outreach and coordination of state delegations for Hill Day.

Audit Committee

The Audit Committee Chair shall be a National Board member other than the Secretary-Treasurer or other National Board officer. The Committee Chair may not serve more than two (2) consecutive two (2) year terms. Audit Committee members shall be recommended by the Executive Committee, and voted on by the full National Board. A majority of the Audit Committee members shall be members of the National Board. The Committee shall also include at least one (1) non-board member. At least one (1) Audit Committee member should have substantial experience in matters relating to financial statements, reports, and accounting practices, to evaluate the work of the auditor and management. (Bylaws, Article IX, Section 1)

The Audit Committee shall be responsible for selecting the National Council’s auditors, meeting with them to review the scope of work, and reviewing the audit results and recommendations. The Audit Committee has the authority to engage other advisors as it deems necessary (Bylaws, Article IX, Section 2).

The Audit Committee:

- Establishes procedures for receiving and addressing any complaints about National Council accounting, general accounting controls, or auditing; establishes procedures for responding to anonymous and confidential submission of concerns by employees or National Board members regarding questionable accounting or auditing matters.
- Requires the auditing firm to disclose all critical accounting policies and general control practices, such as segregation of duties, policies for use of restricted funds for intended purposes, and processes to review off balance sheet transactions.

- Assures that Chief Executive Officer and Chief Finance Officer of the National Council have certified appropriateness of financial statements, that they fairly present the financial conditions and operations of the National Council, and have reviewed the form 990 for accuracy, completeness, and timely filing.
- Meets with independent auditors to review annual audit, form 990, and management letter (if any) and present recommendation for approval or modification to the full National Board.

Literature suggests that audit committees should consider changing auditors (partners or firm) every five years. Literature also suggests that the audit firm be prohibited from providing non-auditing services except for tax service and preparation. (Note: P&P approved, 11/4/2016)

Finance & Administration Committee

The Finance & Administration Committee Chair shall be the Secretary/Treasurer of the National Board. Finance & Administration Committee Members shall be appointed by the Board Chair. (Bylaws, Article X, Section 1)

The Finance & Administration Committee recommends the annual budget for adoption by the National Board, and monitors, on behalf of the National Board, the financial status of the National Council. In coordination with the Membership Committee, the Finance & Administration Committee makes recommendations to the National Board regarding member dues, and makes recommendations to the National Board regarding human resource policies and employee fringe benefits. (Bylaws, Article X, Section 2)

The Finance and Administration Committee:

- Prepares the Annual Budget for submission to the National Board.
- Monitors, on behalf of the National Board, the financial status of the National Council.
- In coordination with the Membership Committee, makes recommendations to the National Board regarding membership dues.
- Makes recommendations to the National Board regarding Human Resource policies and employee fringe benefits.
- Makes recommendations to the National Board regarding Investment Manager, reviews annually the investment policies and recommends amendments to the Board for adoption, monitors investment activity on a quarterly basis and informs the Board of any significant investment events.

Membership Committee

The Committee Chair and members of the Membership Committee shall be appointed by the Board Chair. The Committee Chair may not serve more than two (2) consecutive two (2) year terms of office. (Bylaws, Article XI, Section 1)

The Membership Committee advises staff in creating and implementing a membership work plan. In coordination with the Finance & Administration Committee, the Membership Committee shall recommend annual dues rates for National Council membership and brings recommendations for dues increases to the National Board. The Membership Committee shall assist staff in member recruitment and retention, as well as communication and outreach to existing member organizations. (Bylaws, Article XI, Section 2)

The Membership Committee:

- Advises National Council staff in creating and implementing a membership work plan.

- In coordination with the Finance & Administration Committee, sets annual dues rates for National Council membership; brings recommendations for dues increases to the full National Board.
- Assists staff in outreach plans to potential member groups and in formation of new programs, practice improvement, workforce, and education activities to benefit National Council member organizations.
- Assists staff in communication and outreach to existing member organizations.

Nominating Committee

The Nominating Committee shall consist of four (4) members of the National Board. The Executive Committee shall solicit suggestions for committee members and shall propose a slate of candidates to the full National Board, including recommendations for the Nominating Committee Chair. Written consent shall be obtained for all nominees. Election of the Nominating Committee shall be conducted by the National Board in the same manner as the election of officers. Nominating Committee members serve a two (2) year term with no limit on re-election for subsequent terms. (Bylaws, Article XII, Section 1/2)

- Election of Officers: The Nominating Committee Chair shall solicit suggestions for nominations for the officer positions. The committee shall obtain written consent to serve from nominees for all National Board officer positions. *Article V (Officers), Section 2 (Selection)*.
- Election of Regional Directors and Membership Section Directors: The Nominating Committee Chair shall work with staff and the other National Board member in the region in which an election is to occur, to manage regional elections. The Nominating Committee will also work with staff and any membership sections regarding the election of Membership Section Directors.
- Election of Association/State Directors, and the Public Policy Committee Chair: The Nominating Committee Chair shall communicate with the Association Executives Committee Chair and the Public Policy Committee Chair regarding the election of National Board members from these groups.
- Election of At-Large Directors: The Nominating Committee Chair shall work with the Board Chair, Executive Committee, and staff to determine the qualifications and desirability of any candidate to be considered for an At-Large Director position on the National Board. Candidates for At-Large Directors are to be presented by the Nominating Committee and voted on by the full National Board.
- Election Challenges: Any member wishing to contest the results of any election may bring their concern to the Board Chair or Nominating Committee Chair. *Article IV (National Board), Section 4 (Selection)*.
- Removal of a Board Member: Regarding any issue related to the removal of a National Board member, the Nominating Committee Chair shall direct the staff to review any issue and provide recommendation to the Executive Committee for any action to be taken. *Article IV (National Board), Section 7 (Removal of a Board Member)*
- Board Vacancies: The Nominating Committee shall oversee the process to fill any vacancies on the National Board.
- Report to Membership: Each year the Nominating Committee shall communicate with the National Council membership regarding the positions open for election that year. The Nominating Committee also certifies all election results and shall communicate these to the full membership prior to the start of the new board term (July 1st). (Bylaws, Article XII, Section 3)

The Nominating Committee directs the process for making recommendations to the National Board regarding candidates to serve on boards and as representatives to subsidiary and related organizations (MHRRG, NSS, etc.)

Public Policy Committee

The Public Policy Committee composed of all members of the National Board and the Association Executives Committee. The Public Policy Committee Chair shall be elected by all members of the Committee and shall serve as National Board member. The Committee also elects a Vice Chair, who does not serve as National Board member, but shall serve in place of the Chair in the event the Committee Chair is not present at a meeting of the Public Policy Committee. Neither Committee Chair nor Vice Chair may serve more than two (2) consecutive two (2) year terms of office. Election of the Committee Chair shall take place in the same year as the election of Board Officers. Election of the Vice Chair shall take place in the off-year. (Bylaws, Article XIII, Section 1)

The Public Policy Committee acts as an advisory body to the National Board and staff, assisting with the implementation and monitoring of the legislative network, advising and making recommendations on legislative and other public policy matters. (Bylaws, Article XIII, Section 2)

The Public Policy Committee:

1. Acts as advisory body to National Council staff.
2. Assists National Council staff in the implementation and monitoring of the legislative network.
3. Advises the full National Board on legislative and other public policy matters.
4. Makes recommendations to the National Board regarding positions on public policy issues.
5. The Chairperson is elected by the Committee at the spring meeting of the National Board, and serves as a Director to the full National Board for a two-year term of office. Both Chair and Vice Chair may not serve more than two consecutive terms of office (two two-year terms). Election of the Chair will take place in the same year as the election of Officers to the National Board. Election of the Vice Chair will take place in the off-year.

National Board Public Policy Guidelines

1. Provide Direction to the President & Chief Executive Officer in setting public policy priorities and strategic initiatives.
2. Maintain contact with Association Executives, legislative network representatives and key state leaders to advance the policy mission of the National Council.
3. Monitor and report to the Public Policy Committee Chair the policy needs and activities of the region and states within the region.
4. Develop and nurture relationships with elected and appointed Federal officials who are involved with, and who can have an impact on community behavioral healthcare issues.

ELECTIONS

Nominating Committee – Report to Membership: Each year the Nominating Committee shall communicate with the National Council membership regarding the positions open for election that year. The Nominating Committee also certifies all election results and shall communicate these to the full membership prior to the start of the new board term (July 1st). (Bylaws, Article XII, Section 3)

Unless filling a vacancy or an out of cycle At-Large Director or Membership Section Director position, elections are held in the spring and are completed, per bylaws, at least 30 days prior to the start of the new board term (July 1st).

Officer Elections

Any member of the National Board, eligible as a staff or community board member, affiliated with a National Council voting member organization, and in good standing at the time of the election, shall be eligible for election to any office. (Bylaws, Article V, Section 1)

Each year in which an election is to be held, the Nominating Committee shall communicate with the board regarding the process and timeline of officer elections, and shall confirm candidate eligibility. The Nominating Committee shall put forward a ballot for a vote by the National Board. If requested by a board member, the election of officers shall be by secret ballot. Nominations may be made from the floor at the National Board meeting provided that the nominee has given written consent and provides written biographical data. The winner of the election for each office shall be by the person receiving a majority of the votes cast at said meeting. If there is a tie vote for any office, additional ballots shall be taken until a candidate for the office receives a majority of the votes cast. (Bylaws, Article V, Section 2)

If any board member elected as an officer relinquishes their previous position, an election will be held to fill the vacancy. (Bylaws, Article V, Section 2)

Officers shall not be elected to consecutive complete terms of the same office. (Bylaws, Article V, Section 2)

In order to encourage a continuity of leadership, it is expected that a succession will exist from First Vice Chair to Board Chair. There is no other direct succession plan among board officers. (Bylaws, Article V, Section 2)

Process & Criteria

The Nominating Committee Chair shall solicit suggestions for nominations for the officer positions. The committee shall obtain written consent to serve from nominees for all National Board officer positions. (Bylaws, Article XII, Section 2)

- The Nominating Committee will solicit a call for applications in the early spring of the year in which Officers are to be elected (odd years – ex: 2015, 2017, 2019, etc.)
- The Call for Applications is open for 30 days
- The Nominating Committee then reviews the Officer Candidates and consults with the Board Chair and/or Executive Committee as needed
- Officer Elections are completed on the last day of the Spring Board Meeting during the board business meeting
- The Nominating Committee puts forward a ballot to the full board for a vote

- Traditionally, the Nominating Committee has put forward one candidate per officer seat, but there is no requirement nor limitation to the number of candidates that can be put forward
- Candidates may be suggested from the floor once a vote has been called for, prior to the vote of approval has been completed

Criteria the Nominating Committee uses to determine candidate eligibility include:

- Tenure on the Board
- Involvement in Board activities
- Involvement in the National Council's programs and activities
- Other demonstrated leadership activities

Regional Elections

Two (2) board members shall be elected from each of ten (10) regions. The two (2) Regional Directors should be, but are not required to be, located in different states within the respective region. In choosing candidates for Regional Directors in each region, it is strongly urged that community board members, as well as staff members, be considered for these positions. (Bylaws, Article IV, Section 2)

With the exception of At-Large Directors, National Board members shall be a board member or staff person affiliated with a National Council voting member. Board membership is limited to one (1) board seat per National Council member organization, regardless of state/region. For purposes of Board membership, a National Council member organization, shall be interpreted to include any and all other corporations, limited liability companies, partnerships, or other organizations with which the member organization is affiliated, wherever located, regardless of the direct or indirect nature of the affiliation, percentage of ownership, degree of direct or indirect control, for profit/not for profit status, or any other factors. As used herein, an affiliate of a member organization is one which has any ownership in, any control of, or is under common control with, the member organization. (Bylaws, Article IV, Section 3)

Process & Criteria

Regional Directors. Twenty (20) Regional Directors shall be elected by a ballot of the National Council voting members of the respective regions. Such elections shall be completed at least thirty (30) days prior to the beginning of all board terms (July 1st) (Bylaws, Article IV, Section 4).

- During the year in which a Regional Director's term expires, the Nominating Committee shall direct staff and the other board member in the respective region to solicit nominations for the position from among the National Council voting members, each member organization being limited to one (1) nominee for each position. If no more than one (1) person is nominated for any position, that person's election shall be presumed, and the committee shall then certify the board member's election.
- If more than one (1) person is nominated for each Regional Director position, the Nominating Committee shall submit a ballot to all National Council voting members in the region, listing all nominees, together with biographical data. Each National Council voting member in the region shall have one (1) vote. All communications and voting may take place electronically. The Nominating Committee shall then certify the election and bring to the National Board for final approval.

Nominating Committee Process in Regional Elections

1. Communicate with the state/regional association executives, informing them of the election to be held in the region
2. Solicit nominations for the Regional Directors in each region, as applicable.
3. The National Council will announce a call for nominations to all members in each region in which elections are to be held. A timeline for submission of nominations and holding elections will be determined and communicated.
4. Nominations must be submitted online via the National Council website, and will be directed to the Nominating Committee before being posted for general view by members. Nominations will be open for 30 days.
5. The Nominating Committee chair and members will communicate with National Council members in each region, encouraging nominations.
6. A final ballot of nominees will be approved by the Nominating Committee.
7. The ballot of possible candidates will be submitted to the Nominating Committee. If there are no issues that need to be addressed, the Nominating Committee Chair will put forward the ballot of candidates to the membership to vote.
8. Once voting is complete, the Nominating Committee will review the voting data as part of the process to certify the results of the elections. If there is a member of the Nominating Committee running concurrently for re-election, he/she will recuse him/herself, not have access to any relevant balloting information, and will not be present during any conversation related to the relevant region.

Voting in Regional Elections

1. A ballot of candidates, with profile information, will be submitted to National Council voting members in each region. Voting will take place online; paper ballots will be provided as requested. Voting will be open for 30 days. Member credentials will be confirmed for each vote cast.
2. Membership must be established prior to the beginning of voting. Each organization is eligible to cast one vote. New members who join once regional voting has commenced will not be able to vote in the active election, but will be eligible to vote in subsequent elections.
3. Candidates will be provided with contact information for all the National Council voting members in each region.
4. Candidates may not state or imply endorsement or promotion by any National Council staff, including use of related quotes, statements, or photos, unless referencing event/occasion for which statements have been made. Such action may subject a candidate to disqualification.
5. Election results will be reported at the spring Board meeting, then out to the membership.

Guidelines for Candidates regarding Regional Elections

Submissions/Applications

- Candidates may nominate themselves or be nominated by an external person/organization. All candidates are encouraged to provide letters of support/endorsement as part of their completed application (.pdf/document may be attached to the online application).
- If a candidate is nominated by another person, the candidate must participate in completing the online application. Candidates cannot be nominated without their knowledge.
- When completing the application, candidates are encouraged to pay attention to the suggested word count. It is also suggested that each entry be completed in Word and cut/pasted into the application to minimize potential loss. Once the "submit" button is clicked, the submission is final and cannot be changed/edited. Candidate will receive an email confirming receipt.
- Candidates to the National Board must be able to commit to active participation in all National Board activities. Board members are responsible for their own travel expenses and commit to 3-4 meetings per year. One of the two DC meetings (Spring or Fall) will run concurrently with Hill Day. The Hill Day Board Meeting runs 3½ - 4 days; the other 2½ days.

- Spring Board Meeting – in Washington DC
- Fall Board Meeting – in Washington DC
- Retreat – 1½ days, location to be determined
- National Council Annual Conference – 3 days plus optional pre/post conference activities, location changes annually

Voting

- Candidates will be provided with contact information for all the National Council voting members in each region.
- Candidates may not state or imply endorsement or promotion by any National Council staff, including use of related quotes, statements, or photos, unless referencing event/occasion for which statements have been made. Such action may subject a candidate to disqualification.
- Candidates are encouraged to communicate with any associations in their state, regardless of their membership status within that association(s).
- Candidates may request the support/endorsement of their own state/regional association and/or other state/regional representatives in their region. Candidates may also request the support/endorsement of the “other” director in their region.

Guidelines for Associations regarding Regional Elections

- Any candidate to run for election for the National Board must be affiliated with a National Council member organization. Affiliate Members who are not direct care provider organizations are excluded. It is not a requirement that candidates be members of state/regional associations.
- Associations may set up an internal process to put forward a candidate from within the Association membership.
- Associations may also endorse any candidate if they so choose.

Election Challenges

Any challenge regarding the outcome of an election shall be addressed to the Nominating Committee, within fifteen (15) days after the certification and announcement of election results. If any such challenge is received by the Nominating Committee, the Committee shall investigate the challenge, review the elections process to ensure all procedures were followed, and report the findings and conclusions of its investigation to the Executive Committee with any proposed action, to take place within fifteen (15) days after the date the challenge was received. The Executive Committee shall have full authority to make the final determination with regard to the challenge, and to take any appropriate actions, but it may, in its sole discretion, defer any such determination to the full National Board. The Nominating Committee shall also report back to the member with any action taken. (Bylaws, Article IV, Section 4)

Election to Leadership Positions

Election to Leadership Positions. If elected into a leadership position, the board member relinquishes their previous Board position, and an election will be held to fill the vacancy. If any board member is elected as an officer and less than one (1) year remains on their term, the election to fill that seat will take place during the next regularly scheduled elections cycle. If more than one (1) year remains, a special election will be held, the timeframe to be determined by the Executive Committee. This applies to all leadership positions, including Regional Directors, Association/State Directors, Membership Section Directors, and the Public Policy Committee Chair, etc. A leadership and non-leadership position should not be held concurrently. (Bylaws, Article IV, Section 5)

Vacancies on the National Board

A vacancy occurring in a board member's position shall be filled by an election within the respective region, following the procedure set forth in *Article IV (National Board), Sections 3 (Eligibility), and 4 (Selection)*. If the unserved balance of the term is one (1) year or less, the election will be for a term combining the unexpired term and the following complete three (3) year term. If the unserved balance of the term is more than one (1) year, the election shall be to fill the unexpired term only. The Nominating Committee shall oversee the process to fill any vacancies on the National Board (Bylaws, Article IV, Section 6)

Temporary Vacancy: In the event a board member is incapacitated, representatives of the region affected may petition the Board Chair for an emergency appointment. The Executive Committee, after consultation with the affected region's other board member, may appoint an Interim Director representing the same category (community or staff) to serve no more than thirty (30) days, although the interim term may be renewed by the Executive Committee, if deemed appropriate and in the best interests of the National Council. The Interim board member may vote in all matters before the National Board. (Bylaws, Article IV, Section 6)

Officers: If any board member elected as an officer relinquishes their previous position, an election will be held to fill the vacancy. A vacancy occurring in an officer's position shall be filled by a current board member and shall be elected by majority vote of the National Board. In the event of absence, resignation, disability or death of the Board Chair, the First Vice Chair shall automatically succeed to the office of Chair without the requirement of an election, and shall possess all the powers and perform all duties of the office of Board Chair, until such time as the National Board shall elect a successor. Should further succession be required prior to election by the National Board, the order of succession to the office of Board Chair shall be: First Vice Chair, Second Vice Chair, Secretary-Treasurer. (Bylaws, Article V, Section 2) ... *see Election to Leadership:* (Bylaws, Article IV, Section 5)

Removal of Board Members

An action seeking to remove a board member may be initiated for any of the following reasons (Bylaws, Article IV, Section 7):

1. Ceasing to meet the qualifications for eligibility as a board member as set forth in *Article IV (National Board), Section 3 (Eligibility)*;
2. Absence from three (3) consecutive meetings of the National Board; or
3. For conduct detrimental to the interests of the National Council. A board member may be removed from office by a vote of not less than two-thirds (2/3^{rds}) of the membership of the National Board present.

An action to remove a National Board member may be initiated (Bylaws, Article IV, Section 7):

1. By any National Council member organization, in writing to the Executive Committee; or
2. By a majority vote of the Executive Committee. Any such written request shall specify the reasons for the request.

It is the responsibility of a board member to notify the Board Chair or Nominating Committee Chair of any change in status that may affect their eligibility to serve. The Nominating Committee shall review the issue and provide recommendation to the Executive Committee for any action to be taken. (Bylaws, Article IV, Section 7)

Once a request has been initiated, the Executive Committee shall review the issue and provide recommendation to the full board for a vote, if necessary. The Executive Committee may suspend participation in board activities for the board member sought to be removed, as necessary, until any action is completed. The issue will be assigned to the agenda of a particular board meeting and notice will be sent to the board, as well as to the board member in question. The Executive Committee's response will be distributed to the full National Board prior to any call for a vote. (Bylaws, Article IV, Section 7)

Any board member proposed to be removed shall be entitled to a written notice, including the reasons for said action, sent by certified mail, return receipt requested, at least fifteen (15) days prior to any regularly scheduled meeting at which such removal is to be voted upon, and the board member shall be entitled to present either a written response to the alleged reason for removal, or to be heard at such meeting. At any such proceeding, the board member sought to be removed shall be eligible to vote on the issue. The results of any action taken by the board will be communicated in writing to the board member sought to be removed within seven (7) days of said action. (Bylaws, Article IV, Section 7)

BOARD MEETINGS

The National Board shall hold not less than two (2) regular meetings each year. The Board Chair shall notify each National Board member not less than thirty (30) days before the date of a meeting. The Board Chair may call special meetings of the National Board and shall call a special meeting upon written request of seven (7) members of the National Board. At least ten (10) days' notice shall be given for special meetings. Notice of special meetings shall be communicated to each National Board member. Board members are required to confirm attendance or non-attendance, and staff shall ensure a response has been received from all National Board members. All regular and special meetings of the National Board, or any of its committees, may be held either in person, by conference call, or by any means of communication by which all persons participating in the meeting are able to hear and communicate with one another, and such participation shall constitute "in-person" presence at the meeting. (Bylaws, Article IV, Section 10)

Quorum of the National Board: At all meetings of the National Board, a majority of the National Board shall be necessary to constitute a quorum for the transaction of business. Any action taken by a majority of the National Board present at any meeting at which there is a quorum shall be the act of the National Board, except as may be otherwise specifically provided by statute or these bylaws. (Bylaws, Article IV, Section 11)

Voting: Each National Board member shall possess one (1) vote in matters brought before the National Board. (Bylaws, Article IV, Section 12)

MEMBERSHIP MEETINGS

All meetings are open to all interested members, unless any meeting, or any portion of a meeting, is properly called into executive session, pursuant to standards set forth herein. (Bylaws, Article VI, Sections 1-4)

Annual Membership Meeting: The National Board shall set the date, time, and location of the annual meeting of the membership. Notice of the time and place of the annual meeting shall be communicated to the membership at least thirty (30) days prior to the meeting.

Special Meetings of the Membership. Special meetings of the membership of the National Council shall be called by the Board Chair upon:

1. Majority vote of the National Board; or
2. Written request by twenty percent (20%) of the voting membership, representing at least two (2) regions, whose request must state the purpose of the meeting.

No business may be transacted in any special meeting except such business as shall be specified in the notice of the meeting. A special meeting of the membership shall be scheduled within thirty (30) days after a request has been received. In the event of the failure or refusal of the Board Chair to call a special meeting, responsibility shall accrue to the First Vice Chair, then Second Vice Chair, and Secretary-Treasurer upon the failure or refusal of each higher elected official to so do.

Quorum of the National Council Membership: The members present at any regular or special meeting of the National Council, as called by the National Board, shall constitute a quorum.

MEMBERSHIP & ELIGIBILITY CATEGORIES

(Consolidated from "Membership & National Structure" 5/27/2003, revised 6/20/2008, 07/22/2011, 9/25/2014)

The National Council Board of Directors shall establish from time to time, such membership categories, dues and benefits of membership, as it deems appropriate. (Bylaws, Article III, Section 1)

Members. A member of the National Council shall be any entity or association of entities that joins the National Council and is in good standing, that directly or indirectly provides behavioral healthcare services and subscribes to the vision and mission statement of the National Council. (Bylaws, Article III, Section 2)

- Voting Members. Any entity or association of entities that directly provides behavioral healthcare services and subscribes to the vision and mission statements of the National Council. Any member from within a 100% Association/100% State shall carry forward their voting status as determined by the Association/State.
- Affiliate Members. Any business, consultant, foundation, or other organization who joins the National Council directly (does not join the National Council through a 100% Association) that does not directly provide behavioral healthcare services, but is indirectly engaged in the behavioral healthcare industry and subscribes to the vision and mission statements of the National Council. Affiliate Members are non-voting members.

Membership Sections: The National Board may choose to establish special interest membership sections with related structure, dues and benefits as it deems appropriate. Section purpose, membership eligibility, eligibility for voting, number of National Board seats, and term length, as applicable, are to be established at the time the section is created. (Bylaws, Article III, Section 3)

National Council Membership Types

100% Association/100% State: ... an association of entities that directly or indirectly provides behavioral healthcare services, or a state agency that directly or indirectly provides behavioral healthcare services. All members of the association or agencies within the state are considered National Council members. Membership dues are paid by the Association/State to the National Council. Dues for 100% Associations/100% States are set annually by the National Board. (Bylaws, Article IV, Section 2)

Non-100% Association/State: ... an association/state that joins the National Council directly, and does not purchase the 100% membership for all their members/agencies. Only the association/state staff and community board members have access to member benefits. Members of the association and/or local agencies of the state may join the National Council as Stand Alone Members. Dues for Non-100% Associations are set annually by the National Board. (Bylaws, Article IV, Section 2)

Stand Alone Member: Any entity that directly provides behavioral healthcare services and subscribes to the vision and mission statements of the National Council. Any member from within a 100% Association/100% State shall carry forward their voting status as determined by the Association/State. (Bylaws, Article III, Section 2)

Affiliate Members: Any business, consultant, foundation, or other organization who joins the National Council directly (does not join the National Council through a 100% Association) that does not directly provide behavioral healthcare services, but is indirectly engaged in the behavioral healthcare industry and subscribes to the vision and mission statements of the National Council. Affiliate Members are non-voting members. (Bylaws, Article III, Section 2)

Membership is established upon receipt by the National Council of dues payment, where relevant, complete organizational contact information, to include name, phone, and email address of the CEO/Executive Director and/or other designated primary contact.

Member Organization Types

- Direct Care Provider (NC): Any behavioral healthcare organization that directly provides clinical services and subscribes to the code of ethics and vision statement of the National Council.
- Authority (AU): Any local or regional entity (including counties) established by government for the allocation of resources to ensure behavioral healthcare services. Authorities must subscribe to the code of ethics and vision statement of the National Council.
- State Association (SA): Any statewide association of behavioral healthcare providers that subscribes to the code of ethics and vision statement of the National Council.
- Integrated Delivery System (IS): Any incorporated system of healthcare providers organized to provide a continuum of care of behavioral healthcare services to a defined population in a region or state. The parent company of the system must join; members of the network may join as direct service providers. The integrated service network must subscribe to the code of ethics and vision statement of the National Council.
- Other Association (AS): Any local, regional or national association that subscribes to the code of ethics and vision statement of the National Council.
- Affiliate Member (AF): Any business, consultant, foundation, or other organization who joins the National Council directly (does not join the National Council through a 100% Association) that does not directly provide behavioral healthcare services, but is indirectly engaged in the behavioral healthcare industry and subscribes to the vision and mission statements of the National Council. Affiliate Members are non-voting members.
- State Affiliate Member (SF): Any business, foundation or other organization who joins the National Council as a member of a 100% state/association but is not eligible as a direct care provider. Any member from within a 100% Association/100% State shall carry forward their voting status as determined by the Association/State. (Bylaws, Article III, Section 2)

Process for Annual Dues Recommendation

(Established June 2015 by Membership Committee, Finance & Admin Committee and Board Chair)

Staff develops membership dues proposal to be presented to the Membership Committee	May/June
Membership Committee reviews membership dues proposal (as presented by staff) (June/Spring Board Meeting)	June/Spring Board Meeting
Membership Committee Chair presents approved dues proposal to the Finance & Administration Committee Chair after Spring Board Meeting.	After Spring Board Meeting
FY Budgets created by staff (including Membership Dues budget) <ul style="list-style-type: none">• Membership Dues proposal to be included in budget assumptions	July/August
Finance & Administration Committee reviews National Council total budget (including membership dues budget and membership dues proposal forwarded from Membership Committee) (Summer)	early September
As needed, regarding any discrepancies between committees, representatives from Membership and Finance & Administration Committees will meet to discuss and make final recommendations to be included in the final budget <ul style="list-style-type: none">• Executive Committee to be engaged as needed	1 st /2 nd week of September
Board approves final FY Budget	3 rd week of September/regular Board call

GOVERNANCE POLICIES

The National Board shall establish governance policies that define the scope and limitations under which administrative policies and procedures are developed. Policy decisions may be made by the National Board at any regular or specially called meetings and shall be effective if adopted by a majority vote of the National Board (Bylaws, Article IV, Section 17).

The National Board is responsible for the governance of the organization. The National Board shall govern through development of policy; establishing the mission and strategic direction and priorities of the organization; ensuring effective use and allocation of resources through financial planning, oversight and audit; and selecting, evaluating and retaining a Chief Executive Officer. The National Board is the policy authority of the National Council, delegating administrative responsibilities and authority to the President & Chief Executive Officer for implementation of board policy and management of the organization. The Executive Committee of the National Board may act on behalf of the entire National Board in accordance with its delegated duties.

1. The administration and operations of the National Council will be the responsibility of the President & Chief Executive Officer with the assistance of staff. The responsibility for selection, placement and transfer of personnel shall be vested in the Chief Executive Officer. The National Board, individually and collectively, will refer promptly all criticisms, complaints and suggestions called to its attention, to the Chief Executive Officer for study and recommendation.
2. The National Board shall establish governance policies which define the scope and limitations under which clinical and administrative policies and procedures are developed.
3. Governance and administrative policies shall be reviewed by the National Board as dictated by needs and circumstances of the organization. This review will be documented in the minutes of the National Board and on the policy itself.
4. Policy decisions may be made by the National Board at a regular or specially called meeting.

Authority of the National Board and President/CEO

The National Board shall hire a President/Chief Executive Officer, responsible for development and implementation of policies and procedures established and adopted by the National Board and required for effective daily operations of the organization. All administrative policies and procedures shall be developed within the guidelines established by the governing policies of the National Board. The operational affairs of the National Council shall be the responsibility of the President/Chief Executive Officer and administered by him/her with the assistance of staff. The responsibility for selection, placement, hiring and firing of personnel shall be vested in the President/Chief Executive Officer. The National Board, individually and collectively, shall refer promptly all criticisms, complaints and suggestions called to its attention, to the President/Chief Executive Officer for review and recommendations. Except when present in person at National Board or Committee meetings, communication between the President/Chief Executive Officer and the National Board should be through the Board Chair. (Bylaws, Article XIV, Section 1, 2, 3)

The President/Chief Executive Officer may employ or otherwise provide such staff as may be necessary to carry out the purposes of the National Council, consistent with the policies, priorities and guidelines of the National Board, and consistent with the budget approved by the National Board. At no time may an employee concurrently serve on the National Board nor at any time may an employee be entitled to vote as a representative of a member.

The President/Chief Executive Officer shall be responsible for annual financial planning in coordination with, and with approval of, the National Board and for maintaining adequate and appropriate internal practices and controls which assure effective use of all corporate resources and assets.

Personnel Authority

It is the policy of the National Board that the authority entrusted to the President & Chief Executive Officer to employ, discipline and/or terminate staff be discharged through such practices and procedures as to assure legal, ethical, and nondiscriminatory treatment within the following guidelines:

1. National Council employment practices and personnel policies comply with all applicable laws, ordinances and regulations.
2. A summary of personnel activities is provided to the National Board on an annual basis.

Code of Ethics

(Included in Policies and Procedures 7/21/2011)

WHEREAS, The National Council and its members hold to the highest moral, legal and professional standards for their conduct and services, and

WHEREAS, The National Council and its members maintain respect both for the privacy and well-being of the persons served and for the welfare and protection of the general public, and

WHEREAS, The National Council strives to enhance the principles of competency, accountability, responsibility, nondiscrimination and service excellence,

NOW BE IT RESOLVED...that the National Council and its members voluntarily subscribe to and uphold the following principles while so affiliated:

1. The interest of the person served is always respected. Activities on behalf of the persons served, whether individuals, families or organizations, shall always be determined by their best interests. Their rights, including appropriate care, confidentiality, informed consent, self-determination and access to records are guaranteed.
2. Activities shall reflect the best interest of the general public. Authority of and accountability of the community are recognized by governing and advisory boards in determining priorities, policies and programs. Prevailing legal and moral standards shall be upheld. Questionable practices and programs are not condoned. The public's right to have information about programs, finances, policies and procedures is acknowledged.
3. High professional standards will be maintained and promoted. The National Council and its members at all times require conduct based on accepted principles and professional standards of practice. All staff shall avoid conflicts of interest and misrepresentation of their services, credentials or skills. They recognize accountability to the organization and persons served with whom they are involved and accept responsibility for their own actions. Nondiscriminatory policies are promoted and observed among all persons. Also, the National Council and its members have a primary responsibility to maintain high standards of professional competence and to provide the highest quality of care possible.
4. Regard for the integrity of member organizations and other agencies shall be maintained. The rights and interests of all member centers shall be protected and promoted. No actions shall be taken which are detrimental to any member center by another member or by the National Council without due process and National Board action. Respect shall be maintained for the rights, policies and procedures of other professional organizations and governmental agencies.

BE IT FURTHER RESOLVED...that this Code of Ethics be reviewed at every annual meeting of the National Board for the information and guidance of National Board members, that all new National Board members be advised in writing of this code upon entering on their duties and that this code shall be reviewed annually with all center personnel with advice, in writing, to all new personnel entering on their duties.

Conflict of Interest Policy

Conflict of Interest Policy extended to include consultants and vendors. (Approved 10/30/2009)

Bylaws updated 9/25/2015

No National Board member, officer or employee of the National Council shall have any position with, or a substantial interest in, any other business enterprise operated for profit, or entity operated not-for-profit, the existence of which would conflict with or might reasonably be supposed to conflict with the proper performance of his or her duties or responsibilities to the National Council, or which might tend to affect his or her independence or judgment with respect to transactions between the National Council and such other business enterprise, without full and complete disclosure thereof to the National Board. Each National Board member, officer or employee of the National Council who has such a conflicting interest with respect to any transaction of which he or she knows is under consideration by the National Board or any of its committees, is required to make timely disclosure thereof, so that it may be part of the National Board's consideration of the transaction. The National Board member, officer, or employee holding the conflicted interest shall refrain from participating in consideration, except as directed by the remaining members of the committee and/or National Board. (Bylaws, Article IV, Section 14)

Contracts and Services

National Board members may be interested directly or indirectly in any contract related to or incidental to the operations conducted by the National Council, provided, however, that any contract, transaction, or act on behalf of the National Council in a matter in which a National Board member is personally interested as stockholder, director, or otherwise, shall be disclosed to the National Board and/or contracting party, as applicable, and not violate of the proscriptions in the Articles of Incorporation against the National Council's use or application of its funds for private benefit. In no event, however, shall any person or other entity contracting with a National Board member be obligated to inquire into the authority of the National Board and its members to enter into and consummate any contract, transaction, or other action. (Bylaws, Article IV, Section 16)

Expense Reimbursement Policy

National Board members are required to attend meetings held twice yearly. National Board members are also strongly encouraged to attend the annual conference.

Expenses for travel, lodging etc. to attend meetings, the annual conference, or other meetings on behalf of the National Council are the responsibility of the individual National Board member and/or the National Council member organization with whom the National Board member is affiliated.

Teleconferencing expenses will be borne by the National Council.

Limited resources ARE available for National Board members to attend meetings, or other meetings on behalf of the National Council, by request of the National Board member. Such request should be made to the Vice President of Finance and Administration or board liaison.

All National Board members are encouraged to register and pay the appropriate registration fees for the annual conference.

Indemnification

The National Council shall indemnify each of its National Board members, officers and employees, as well as former National Board members, officers and employees, and any person who may have served at the request of the National Board as a National Board member or officer of another corporation, whether for profit or not-for-profit (the "Indemnitees"), pursuant D.C. Code, Sec. 29-301.05(14), or any successor thereto, to the full extent permitted thereby. In each and every situation where the National Council may do so under such section, the National Council hereby obligates itself to so indemnify the Indemnitees, and in each case, if any, where the National Council must investigate on a case-by-case basis prior to indemnification, the National Council hereby obligates itself to do so. The National Council also agrees to indemnify the Indemnitees to the fullest extent permitted by law at any time and from time-to-time for any liabilities actually and necessarily incurred or imposed in connection with any claim, action, suit or proceeding (whether actual or threatened, civil, criminal, administrative, or investigative, including appeals) to which an Indemnitee may become or be made a party by reason of being or having been such National Board member, officer, employee or other designated Indemnitee. Indemnification shall not be provided to the Indemnitee should said liability result from the Indemnitee's own misconduct, negligence, or bad faith. The provisions of this Section shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption thereof. The National Board may authorize the purchase of insurance of behalf of any National Board member, officer, employee or other agent against any liability asserted against or incurred by him which arises out of each person's status as a director, officer or employee, or out of acts taken in such capacity, whether or not the National Council would have the power to indemnify the person against that liability under law. (Bylaws, Article IV, Section 15)

Financial Management Policy

The President & Chief Executive Officer shall be responsible for annual financial planning in coordination with, and under approval of, the National Board and for maintaining adequate and appropriate internal practices and controls which assure effective use of all corporate resources and assets. The Executive Committee of the National Board may act on behalf of the entire Board in accordance with its delegated duties.

The National Board shall set the fiscal year of the corporation by resolution. The President & Chief Executive Officer, through internal controls and procedures, shall:

1. Propose an annual budget, funding goals for operating, special-purpose and capital reserve accounts as required to address National Council business needs, prior to each new fiscal year for National Board review and approval.
2. Review monthly financial reports provided to the National Board by staff; keep the National Board informed regarding any significant (greater than 10%) variance in revenues, expenditures and/or other significant financial issues affecting the organization as they arise.
3. Provide other financial reports as requested and scheduled by the National Board.
4. Conduct all business operations on the basis of ethical, sound business practices that comply with all laws, regulations, and funding source/contractual requirements.
5. Assure that an outside Certified Public Accountant provides an annual audit of all financial records of the Agency.
6. Assure the review of the annual audit by the National Board within six months of the close of the fiscal year.
7. Take timely, corrective action, with appropriate reporting to the National Board, with respect to any reportable conditions or weaknesses cited in the audit and felt to be material by the National Board.
8. Safeguard all assets through preventative maintenance.
9. Insure premises and contents at the replacement cost, against all perils. Exceptions will be approved by the Board.
10. Insure the organization, National Board members, officers and staff for errors and omissions liability in an amount required by sound business practice.
11. Every five (5) years or sooner, as deemed necessary, review and make recommendations to the National Board regarding broker and CPA relationships maintained by the organization.

12. Develop and maintain an investment policy which is reviewed, approved and updated periodically by the National Board.
13. Assure that no loans are secured without prior National Board approval. The President & Chief Executive Officer may establish revolving credit lines for the conduct of routine business subject to the limitations of the National Board's signature authority policy and procedure.

Investment Policy (Pertaining to all Investments)

Updated 9/21/2014

I. BACKGROUND

The National Council for Behavioral Health ("National Council") is a nonprofit organization established and maintained as a 501(c)(3) organization in accordance with the Internal Revenue Code. The National Council invests both short term and long term reserve funds. The prudent investment of reserves enables the Council to 1) maintain principle of the fund, 2) grow the value of the fund to outpace CPI, 3) supplement any short-term financial setbacks or fluctuations, 4) if specifically outlined or required, fund identified activities for the organization.

II. PURPOSE

The purpose of this Investment Policy Statement ("IPS") is to establish a clear understanding between the National Council and SunTrust Bank, as investment manager, ("Investment Manager") of the investment objectives and policies applicable to the assets assigned to Investment Manager for management (the "Fund"). This IPS:

- Outlines the National Council's goals and provides the framework for a disciplined approach to investing;
- Establishes reasonable expectations, objectives and guidelines for the investment of the Fund;
- Sets forth an investment structure detailing permitted asset classes and expected allocation among asset classes;
- Encourages effective communication between the Investment Manager and the National Council;
- Creates a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the National Council; and
- Establishes the criteria for monitoring performance of the investments.

This IPS is not a contract. This IPS is intended to be a summary of an investment philosophy that provides guidance for the National Council and Investment Manager.

This IPS provides a set of general guidelines that will permit the National Council to oversee the investment of the Fund. The guidelines and objectives contained herein are broad in scope; more detailed information may be required for designated accounts with specific operational needs.

III. ROLES AND RESPONSIBILITIES

A. ROLES AND RESPONSIBILITIES OF THE NATIONAL COUNCIL

The National Council has the responsibility of monitoring the investment activities and performance of Investment Manager. Accordingly, the National Council shall monitor adherence of Investment Manager to the "Prudent Investor Rule" and other such laws and regulations that may apply now or in the future to the investment of the Fund.

Policy guidelines may be amended from time to time by the National Council after consideration of the advice and recommendations of an Investment Manager, Investment Advisers, and/or Consultant.. All modifications of policy guidelines shall be in writing and signed by the National Council. Further detail follows:

Board of Directors:

1. Adopts investment policies that accurately captures the National Council's risk and return expectations.

2. Reviews investment reports from the Finance and Administration Committee and Investment Manager.
3. Approves an Investment Manager.

Finance and Administration Committee:

1. Monitors investment activities on a quarterly basis.
2. Reviews annually (or as needed) the investment policies and recommends amendments to the Board for adoption.
3. Informs the Board of any significant investment events.
4. Makes recommendation of the Investment Manager to the Board.

National Council Staff:

1. Follows Board Policies and Procedures regarding fiscal controls, authority and signatories,
2. Reports all investment activities to the Finance and Administration Committee on a quarterly basis,
3. Reports any significant investment event immediately to the Secretary-Treasurer.

B. ROLES AND RESPONSIBILITIES OF INVESTMENT MANAGER

Investment Manager is responsible for assisting the National Council in formulating an appropriate investment policy based on the needs, objectives, and risk profile of the Fund. Further, Investment Manager shall serve as the investment manager and investment advisor to the Fund until its resignation or termination by the National Council.

Specifically, Investment Manager shall be responsible for:

- Advising the National Council about the selection of and allocation to asset categories, investments and managers for the Fund;
- Identifying and selecting specific investments and managers within each asset category;
- Managing and rebalancing allocations to specific investments and managers;
- Monitoring the performance of all selected asset categories, investments and managers;
- Periodically reviewing the appropriateness of the investments and managers for the Fund;
- Preparing and presenting appropriate reports;
- Meeting with the National Council at least twice each year, and at other times deemed necessary at the National Council's request; and
- Recommending and implementing changes to any of the above.

IV. INVESTMENT OBJECTIVES

There are two designated funds under the purview of this document; 1) a Short Term Reserve and 2) a Long Term Reserve.

The **Short Term Reserve Fund** shall exist as a safety net or to mitigate risk of a short term cash flow operational deficiency. The fund shall reflect the following principles:

1. Security: While maximizing return of invested funds is desired, security of the principal is the highest concern.
2. Liquidity: Prudent investment requires adequate cash to meet budgeted expenses as incurred and contingent liquidity if necessary to meet unanticipated variances from cash flow projections. These funds should be available at short notice.
3. Return: Instruments are selected to maximize return after meeting the security and liquidity principles.

The **Long Term Reserve Fund** shall be separate from the Short Term reserve as a vehicle for long term growth, thus shall not be subject to the same short term liquidity and safety requirements. The Fund objectives are:

1. To provide for the **long-term growth** of the Fund by investing a significant portion of the portfolio in equity securities and/or no-load mutual funds.

2. To provide for the income and **risk control** of the Fund by investing a portion of the portfolio in short, intermediate and long-term fixed income securities, as well as potentially non-traditional asset classes.
3. To generate a level of **spendable income** (interest and dividends) that is sufficient to meet any cash requirements as identified on an ongoing basis.

V. TIME HORIZON AND PORTFOLIO EVALUATION

The National Council's investment time horizon for the **Short Reserve Fund** is less than 24 months. Thus investments in short fixed income securities will be managed to achieve incremental income above that which might be anticipated from holding cash. CD's, ETFs, index funds, and no-load mutual funds may be used.

- Index: 90-day Treasury Bill

The time horizon of the **Long Term Reserve Fund** should be viewed as consistent with an entire business cycle-typically 4-7 years. Recognizing that short-term market fluctuations may cause variation in the Long Term Fund's performance, it is expected that the Long Term Fund will equal or surpass the following benchmarks over a five-year moving time period:

1. The Fund's total return should exceed the rate of inflation as measured by the CPI+3% over a five-year period.
2. To outperform the target policy index as described with the fund allocation, 65% S&P 500, 35% Barclays Capital Aggregate)
3. Uphold a risk position as measured by standard deviation that is commensurate with the balanced index as noted in #2.

VI. RISK TOLERANCE

The National Council recognizes that higher returns involve higher volatility and the National Council has indicated a willingness to tolerate some volatility (based on the target allocation of the Fund) in order to optimize the total return of the Fund. The Fund will be managed in a manner that seeks to minimize principal fluctuations over the established time horizon and that is consistent with the stated objectives. It has been demonstrated that risk is best minimized through diversification of assets. Further- by performing in line with established benchmarks as noted above. As noted above we would anticipate using standard deviation as a measurement tool for volatility.

VII. INVESTMENT GUIDELINES

A. Short Term Reserve Fund Allocation and Allowable Securities:

Due to the requirements of this portfolio it is anticipated that only short term fixed income and cash equivalents/money market funds be utilized for this portfolio: CDs, ETFs, index funds, and no-load mutual funds may be used.

- Index: 90-day Treasury Bill

Investments in short fixed income securities will be managed to achieve incremental income above that which might be anticipated from holding cash. The Manager may select from appropriately liquid corporate bond securities, obligations of the US Government and its agencies, tax-exempt bonds, tax-exempt bond funds and securities convertible to equities. No high yield securities are allowed. CDs may also be purchased, up to the FDIC limit per issuer.

As the anticipated time horizon for these funds is not anticipated to be longer than 24 months, the average maturity of the fixed income portfolio shall not exceed two years. No more than 5% of the account's market value may be invested in a single issue with the exception of the US Government and its agencies. Credit ratings for corporate debt issues must adhere to the policy of being rated Investment Grade (modified to be "A1" or higher on purchase transaction date) by both S&P and Moody's. Preferred stocks must meet or exceed "A" rating by S&P or Moody's at the time of purchase. The Manager is prohibited from speculating in fixed income or interest rate futures as well as investing in private placements, asset backed securities and mortgage backed securities.

B. Long Term Reserve Fund Allocation and Allowable Securities:

It is expected that the asset allocation policies reflect and be consistent with the investment objectives and risk tolerances expressed throughout this statement. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide the highest probability of meeting or exceeding the return objectives at the lowest possible risk:

1. Equities: Securities, ETFs, index funds and no-load mutual funds

- Target weight 65%, Min. weight 50%, max weight 70%,
- Index: S&P 500 Stock Index, MSCI-ACWI (Morgan Stanley Capital International All Country World Index)

The Manager will maintain an equity portfolio at a risk level roughly equivalent to or less than that of the equity market as a whole. Individual equity holdings may be selected from the New York, American or NASDAQ markets. Holdings must represent companies meeting minimum capitalization requirement of \$200 million with high market liquidity. There is a maximum 5% of Fund's market value for an individual security, and a 12% maximum for any individual fund. Manager is prohibited from investing in private placements, letter stock and uncovered options, or from engaging in short sales, margin transactions or other specialized investment activities. Manager also prohibited from making investments in contracts of futures. The funds will be selected based on long-term performance, control of risk, cost of acquisition, expense ratio and their potential contribution to the portfolio as a whole, and will be rated favorably by Morningstar and/or Value Line services. The individual investments made by each fund may or may not meet the specific criteria in the investment policy statement, but the fund must meet the criteria stated.

2. Fixed Income and Cash Equivalents: ETFs, index funds, and no-load mutual funds

- Target weight 25%, Min. weight 20%, max weight 50%,
- Index: Barclays Capital Aggregate, Barclays Capital 1-5 Year and Index: 90-day Treasury Bills as appropriate

Investments in short, intermediate and long-term fixed income securities will be managed to achieve a diversified bond portfolio. This segment of the portfolio is not designed to accomplish growth but to provide stability to the overall portfolio through fixed returns. The Manager may select from appropriately liquid preferred stocks, corporate bond securities, obligations of the US Government and its agencies, tax-exempt bonds, tax-exempt bond funds and securities convertible to equities.

The average maturity of the fixed income portfolio shall be between two and seven years. No more than 5% of the account's market value may be invested in a single issue with the exception of the US Government and its agencies. Credit ratings for the majority of corporate debt issues must adhere to the policy of being rated Investment Grade (modified to be "A1" or higher on purchase transaction date) by both S&P and Moody's. Preferred stocks must meet or exceed "A" rating by S&P or Moody's at the time of purchase. The Manager is prohibited from speculating in fixed income or interest rate futures as well as investing in private placements, asset backed securities and mortgage backed securities. High Yield and International/Emerging market funds may be used (only via ETFs or funds) with a maximum per category of a 5% portfolio weight.

3. Non- Traditional Asset Classes: ETFs, index funds and no-load mutual funds.

- Target Weight 10% Min. weight 0%, max weight 15%,
- Index: varies by fund category

This category is utilized to mitigate risk in overall portfolio. In order to retain portfolio liquidity, only 1940 Act (SEC Registered Mutual) funds and ETFs are allowed. Typically this would include liquid hedge funds and 'fund of fund' strategies focused on equities and, fixed income securities will be used but may also include currencies, real estate, commodities and other non-traditional sectors. All of the above trade with daily market liquidity and neither do they require 'advance subscriptions' nor 'lock-up periods' or other

restrictions. Often these are also known as “Level One” securities. Utilizing private placements, requiring separate registrations and other National Council disclosures or other private direct investment strategies is prohibited.

VIII. EVALUATION AND REVIEW

The objective of the evaluation and review process is to monitor the progress of the investments of the Fund. Performance will be measured and reviewed by the National Council. With a view toward a three to five year performance horizon, Investment Manager will review and report to the National Council no less often than twice a year that:

- The total portfolio of the Fund is achieving its stated objectives;
- Investment Manager is performing satisfactorily in relation to both objectives set forth herein and the recognized market indices;
- Investment Manager is adhering to these guidelines;
- The overall policies and objectives continue to be appropriate, reasonable and achievable.

IX. COMMUNICATIONS AND CLIENT SERVICE

Investment Manager shall provide to the National Council the following information:

- Portfolio performance results over the most recent quarter and a year-to-date basis, as well as over a rolling one, three, five and ten year period (if applicable);
- Performance results of each individual investment or manager for the same periods;
- Performance results of comparative benchmarks and blended benchmarks for the same periods; and
- Performance results on a time-weighted rate of return basis.

X. COORDINATION WITH THE NATIONAL COUNCIL DOCUMENTS

Notwithstanding any of the foregoing, if any term or condition of this IPS conflicts with any term or condition of the National Council’s documents, the terms and conditions of the National Council’s documents shall control.

Legal Responsibilities of the National Board

(Larry Taub, Attorney and Counsel to the National Council, 10/19/2007)

Officers and Directors owe a fiduciary duty to the organization. The fiduciary duty encompasses:

- Duty of care – The obligation to exercise reasonable and prudent care in the oversight of the organization.
- Duty of Loyalty – The obligation to act only in the best interests of the organization.

Duty of Care

- Regular and careful review of financial and other reports regarding operation of the organization.
- Periodic review of management with regard to its operation of the organization.

Conflict of Interest (Duty of Loyalty)

(Note: National Council’s approved Conflict of Interest Policy is listed below on page 6.)

- Determination of possible conflict
- If one believes a conflict may be present, it isn’t enough to merely be aware that it exists, and to believe that you have acted in the best interests of the organization, rather than your own self-interest – some action must be taken.
- Depending upon the nature of the conflict, and its degree of seriousness, the Officer or Director may:
 - (1) Simply disclose the conflict (or potential conflict) in public to the other members of the National Board;
 - (2) Recuse him/herself from any involvement in the issue giving rise to the conflict (or potential conflict); or
 - (3) Resign from the National Board.

- * The particular action that is appropriate for a given National Board member in a given situation will depend upon the particular facts of the possible conflict. Ultimately, it is important that there not only be no conflict, but not even a perception of a conflict.

Confidential Information: Officers and Directors have an obligation to maintain the confidentiality of information that is either marked or otherwise identified as such; information obtained in an Executive Session of the National Board; or simply information that is verbally conveyed, and requested to be maintained as confidential.

Personal Liability: Basic Rule – An Officer or Director will not risk personal liability as long as he/she exercises reasonable diligence and care in decisions regarding the Organization.

- This will hold even if the actions or decisions of the National Board are made with poor judgment, and result in damage or injury.
- Directors and Officers are entitled to rely on the advice of experts (accountants, attorneys, etc.). Officers and Directors are not liable for the torts of the organization's employees, unless the Officers and Directors participated in those activities personally.

Anti-Trust: Officers and Directors should avoid any discussions at association meetings that may tend to:

- Raise, lower or stabilize prices
- Affect the availability of products or services
- Affect the allocation of markets, territories, customers or patients
- Encourage boycotts or exclusions of products or services
- Foster unfair practices involving advertising, merchandising, or accreditation
- Encourage anyone to refrain from competing
- Result in illegal brokerage or rebates

Other topics of discussion that should be avoided:

- Current or future prices
- What constitutes fair profit or margin level
- Possible increases or decreases in prices
- Standardization or stabilization of prices
- Pricing procedures
- Cash discounts
- Credit terms
- Allocation of markets whether or not the pricing practices of any industry member are unethical or constitute unfair trade practice

Topics that are appropriate for discussion:

- Reporting on general industry or profession economic trends
- Describing advances or issues in relevant technology
- Demonstrating methods by which a member can become more profitable by better understanding its own costs and practices
- Discussing effective methods of purchasing and marketing (as long as it does not involve anti-competitive behavior)
- Consideration of industry or professional relations with the local, state or federal governments
- Developing methods of responding to consumer issues

Recognition of Grant Revenue

(Adopted by the National Board 10/19/2007)

The National Council uses an accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred. Revenue received, which obligates the National Council to perform future services, is recorded as

deferred revenue. Documentation of all contributions shall be maintained on file, which shall include the intention of the donor.

The National Council reports its financial position and activities according to three classes of net assets:

Unrestricted Net Assets: Are those net assets whose use is not limited by donor-imposed stipulations for a specific time period or for specific activities required of the National Council. For each contribution received that is considered unrestricted, a statement from the donor, which specifies the general purpose or donor intent shall be maintained on file. If the donor does not state the intent, but is in response to a National Council request for contribution, then a copy of the solicitation correspondence shall be maintained on file as documentation of donor intent.

If the contribution is in support of a specific activity that is completed within the same fiscal year, documentation of the completion date of each specified deliverable shall be maintained on file to document the unrestricted nature of the net assets, once completed.

Temporarily Restricted Net Assets: Are those net assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the National Council pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes. When a restriction expires (this is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Income Statement as Net Assets Released from Restrictions. Contributions that are restricted by the donor are reported as Unrestricted Net Assets if the restrictions expire in the fiscal year in which the contributions are recognized.

As with all contributions, donor intent as to deliverables, expenditure obligations and/or National Council activities shall be documented and maintained on file.

Permanently Restricted Net Assets: There are no permanently restricted net assets of the National Council. The approval of the National Board is required for net assets to either be received or classified as permanently restricted.

Record Retention Policy

(Adopted by the National Board 10/30/2010) from the National Council of Nonprofit Associations (www.ncna.org)

General: The National Council will retain records in an orderly fashion for time periods that comply with legal and governmental requirements and as needed for general business requirements. Storage of electronic records and documents both onsite and off-site will also be managed for security and compliance purposes. Once documents and records are no longer required, disposal will be done in a secure and orderly manner. The status of all records will be reviewed at least once per year for compliance with record retention policies.

Office Filing Systems: Each program division will implement an organized plan of document storage and maintain current and archival files as appropriate for program continuity, reference accuracy and operating efficiency. Files which pertain to contracts and grants, governmental reporting, human resources, fixed assets, inventory, accounting and audit will be centrally maintained by administrative staff. Files and documentation no longer needed for periodic reference, but are required for archival storage, will be kept in secure off-site storage and all boxed contents will be recorded for ease of potential return and future use.

Electronic Records: When feasible, documents and files that retained should be stored in electronic version, in a format easily accessible and managed by relevant staff. A printed and electronic version of the organized filing system should be maintained by program divisions and the IT Manager. Back-up copies of electronic records should be kept both onsite and off-site for contingency purposes.

Disposal and Destruction of Records: When consistent with National Council policies, records are disposed in the following manner:

1. Non-confidential paper records will be recycled.
2. Confidential paper records will be shredded then recycled.

3. Electronically stored data will be erased or destroyed.

Confidentiality: National Council will comply with all statutory confidentiality requirements, including the Health Insurance Portability and Accountability Act (HIPAA). Non-public information including, but not limited to, name, address, social security number, bank account numbers, credit information, financial data and medical information, will be kept securely as required then destroyed when no longer required.

Records Retention Schedule:

Accident reports and claims (settled cases)	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports of accountants	Indefinitely
Bank reconciliations	1 year after audit
Bank statements	7 years
Cash books	Indefinitely
Charts of accounts	Indefinitely
Checks (canceled, see exceptions below)	7 years
Checks (canceled for important payments, i.e., taxes, purchases of property, special contracts, etc.)	Indefinitely
Construction documents	Indefinitely
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Expiration + 7 years
Correspondence (general)	3 years
Correspondence (important)	Indefinitely
Deeds, mortgages, bills of sale, titles	Indefinitely
Depreciation schedules	Indefinitely
Duplicate deposit slips	1 year after audit
Electronic fund transfer documents	7 years
Employee personnel records (after termination)	7 years
Employment applications	3 years
Expense analyses and expense distribution schedules	7 years
Financial statements (end-of-year, other months optional)	Indefinitely
General and private ledgers (and end-of-year trial balance)	Indefinitely
I-9s (after termination)	1 year
Insurance policies (expired)	3 years
Inventories of products, materials, supplies	7 years
Invoices to customers	7 years
Invoices from vendors	7 years
Journals	Indefinitely
Leases	see Contracts
Licenses	Indefinitely
Loan documents, notes	Indefinitely
Minute books of directors and stockholders, including by-laws and charter	Indefinitely
Notes receivable ledgers and schedules	7 years
OSHA logs	5 years
Payroll records and summaries, pensions, payroll taxes	7 years
Petty cash vouchers	3 years
Property appraisals by outside appraisers	Indefinitely
Property records including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints and plans	Indefinitely
Purchase orders (purchasing department copy)	7 years

Receiving sheets	1 year
Sales records	7 years
Scrap and salvage records (inventories, sales, etc.)	7 years
Subsidiary ledgers	7 years
Tax returns and worksheets, agents' reports, any documents relating to income tax liability	Indefinitely
Time books/cards	7 years
Trade mark registrations	Indefinitely
Voucher register and schedules	7 years
Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees officers, etc., for travel and entertainment expenses)	7 years
W-4 forms	4 years
Workers comp. documents	11 years

Staff Timesheet Recording – Policies and Procedures for Employees

(Effective 4/1/2011)

The following are policies and procedures for National Council employees with recording timesheets.

Unanet Timesheet Software: National Council employees are to complete timesheets using the Unanet electronic timesheet program. It is a web-based system that can be utilized via the internet:

<https://www.unanet.biz/nationalcouncil/action/login>. User ID's and initial passwords will be provided by the accounting staff. Any administrative issues with the software should be directed to the CFO or Senior Accountant. Staff will be given timesheet software and charge code training in their new hire orientation and on a periodic basis.

Daily Requirements: Staff is required to enter time on a daily basis. This is a requirement for organizations with government contracts or grants and will aid with the most representative recording of actual effort. This will also provide Project Account Managers the availability of real-time timesheet reports. Staff should enter daily hours by the morning of the next day.

Per Pay-Period Requirements: Pay periods are semi-monthly - on the 15th and the last day of the month. For each pay period the employee is to electronically sign their timesheet by 10am of the next business day following the end of the pay period. Supervisors are to approve by 12 noon that same day. Project reports are to be reviewed by Project Account Managers by 5pm that same day with any corrections communicated to staff or accounting.

Total Time Accounting: All employees are required to record on their timesheets all hours worked and record their time based on actual work performed and actual hours worked (charge to the code you worked on). Thus if a staff member worked 8.75 hours in the day, then 8.75 hours should be recorded to the actual charge codes worked. Any questions regarding proper charge codes should be directed to your supervisor, the Project Account Manager or the CFO.

Non-exempt employees: (Eligible for overtime pay) non-exempt employees are to follow the above requirements for recording total hours as well. However, non-exempt employees need to get pre-approval from their Department VP prior to working overtime hours. In the absence of that, time worked is to be restricted to regular hours, not overtime hours.

Travel Expense Reimbursement Policy

Copied from company policy, updated 1/1/2016

It is the policy of the National Council, in connection with official travel, to pay actual and reasonable transportation costs such as lodging, meals, taxis and necessary other travel charges. Staff and non-staff will receive reimbursement of expenses subject to prior approval of travel by your Department VP. Any exceptions to the below policy require Executive Vice President (EVP) approval.

Staff and non-staff travel (airfare, hotel and car rental) must be booked through National Council's travel agent, Avenue Travel. Note any requirements on subcontracts or arrangements that require us to use another company's travel agent, those requirements should be followed. Travel status is defined as greater than 50 miles travel. Travel can be booked via online booking on Concur, offered through Avenue Travel (www.concursolutions.com); or can be booked by contacting Avenue Travel directly. Avenue Travel will pay for airfare charges and bill directly to the company account. Department VP's may choose to use their individual card and provide that to Avenue Travel. All staff and non-staff are required to provide an eight-digit project code on Concur or to Avenue Travel in order to place a booking. Lodging and car rentals are paid after use and will be paid by the employee and reimbursed on an expense report.

Travel status directly for federal contracts or subcontracts that require adherence to GSA government travel schedule needs to be in accordance with those travel policies and reimbursement rates in force at the time of travel. See the GSA schedule (www.gsa.gov/portal/category/100120) or follow the prompts and the rules on the Concur website.

In all cases, air travel is to be by discounted coach class unless extenuating circumstances require more expensive accommodations. Such circumstances shall be documented in writing to the EVP and submitted in advance. If other compensating factors can offset the price of travel, a higher cost alternative can be utilized with specific approval of the EVP given to that specified individual.

When a staff member uses a personal car for official travel, reimbursement will be made at the current IRS-approved rate (currently .54 per mile). Additionally, tolls and other road usage fees, parking, etc. may be paid. Reimbursement will be contingent upon submission of proper documentation.

Use of rental cars require documented justification of cost savings and advance approval from their Department VP. Regarding car insurance, in order for travelers to be covered under company policy they are to include National Council and there personal name in the rental agreement name and decline optional car insurance coverage.

Travel reimbursement for taxis and shuttles above \$100 need advance approval from the Department VP.

All employees shall provide receipts documenting expenditures for lodging, transportation, and unusual other expenses when requesting reimbursement pursuant to the National Council travel reimbursement policies.

For travel status on all other projects (not directly for federal contracts or subcontracts that require adherence to GSA government travel schedule needs), the maximum meal per-diem is computed at \$50 per day times the number of days of travel. Receipts are not necessary for a reimbursement request of meals per diem. However, if the project's grant or contract calls for National Council reimbursement based on actual receipts, the employee is not paid based on a flat per diem, but must submit receipts and will be reimbursed for actual costs up to the maximum food reimbursement called for in the agreement. For non-staff on travel status, they will follow the meal reimbursement listed in their agreement with the National Council.

For staff and non-staff on travel status, lodging costs above \$200/per night, which have a lower cost reasonable alternative, require pre-approval by EVP. Lodging is to be booked through Avenue Travel. Lodging for National Council sponsored conferences or meetings will be coordinated and procured by the representative department VP. Individual staff members are not to book individual accommodations unless pre-approved by that department VP.

Hotel, food or travel expenses for family or friends are not reimbursable. Personal expenses in excess of the per diem allowance are not reimbursable. All expense reports must be completed fully, receipts attached, be signed and submitted to the National Council office within 5 days after travel. Expense reports can be completed online through the above mentioned Concur system.

Local travel and local meals need prior approval from the Department VP's and are based on actual receipts submitted. Care should be given to keep costs reasonable.

Whistleblower Policy

(Adopted by the National Board, 10/30/2010)

General: The National Council's Code of Ethics and Bylaws requires directors and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. It is the responsibility of all directors, officers and employees to comply and to report violations or suspected violations.

No Retaliation: No director or employee who in good faith reports a violation of the Code of Ethics or Bylaws shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the National Council prior to seeking resolution outside the organization.

Reporting Violations: Directors and employees should share their questions, concerns or complaints with someone who can address them properly. For directors, the Board Chair is in the best position to receive such communications of concern. For employees, the immediate supervisor or President and CEO would normally receive reports of potential violations. Directors and employees may also report concerns directly to the Audit Committee Chair, who will serve as the primary compliance officer for all cases.

Investigation and Resolution: Any supervisor or National Board member who receives a report of ethical violation or concern by an employee or director will immediately transmit the report to the Audit Committee Chair, who is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code of Ethics. The Audit Committee Chair will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days.

At his/her discretion, the President and CEO and/or the Audit Committee may also be advised. All reports will be promptly investigated and appropriate corrective action taken if warranted by the investigation. The Chair will report to the Audit Committee at least annually on compliance activity. The Audit Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing.

Acting in Good Faith: Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code of Ethics or Bylaws. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality: Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and address appropriate resolution.

SUBSIDIARY & PARTNER ORGANIZATIONS

National Service Systems, Inc.

(Consolidated from "Membership & National Structure" 5/27/2003)

A wholly-owned, for-profit subsidiary, National Service Systems (NSS) was formed by the National Council in 1991 to manage marketing and endorsement contracts formerly held by the parent corporation. As the single shareholder, the National Board selects the NSS Board of Directors.

Mental Health Risk Retention Group (MHRRG)/Negley Associates

(Consolidated from "Membership & National Structure" 5/27/2003)

Two major national associations – Mental Health Corporations of America and the National Council for Behavioral Health (formerly National Council for Community Behavioral Healthcare) – joined forces to create an innovative insurance option for community behavioral health organizations, the Mental Health Risk Retention Group (MHRRG), now managed by Negley Associates. A solid team of experts manage the company, including distinguished attorneys, nationally known actuaries, reinsurance companies, underwriting managers with decades of experience specializing in liability insurance for the behavioral healthcare field. The National Council has the right to two seats on the MHRRG Board; terms are three years in length to be held by a center director who is a Class C or Class D shareholder. There are no limits to terms held consecutively. Meetings take place approximately four times a year.

National Council Strategic Business Partnership Guidelines

(Added 8/31/2013)

Who can be a strategic business partner?

1. National Council affiliate/corporate member.
2. Vision and mission aligns with the National Council; and products/services are consistent with the priorities and needs of National Council member organizations and people they serve.
3. Unique or recognized leader in its space without negative image/issues associated with company and products/services.
4. Long-term commitment to the stakeholder community and to the relationship.
5. Prepared to support advocacy/education via guaranteed marketing minimum and/or percentage of sales/renewals.
6. Reviewed/vetted by legal counsel.

What are some typical benefits strategic partners get?

1. Strategic consultation/environmental scan with National Council senior leadership team.
2. Products/services supported by National Council senior leadership team and National Board.
3. Introductions to prospects and networking opportunities at premier National Council events and VIP gatherings.
4. Advertising and marketing - blast emails, newsletter social media, press, web presence, magazine ads, conference visibility.
5. Access to National Council member organizations demographic/contact information.
6. Priority consideration for National Council Conference special events and sessions.

BYLAWS AMENDMENTS

The bylaws may be amended by the following procedures, first by the National Board, and then by the National Council membership (Bylaws, Article XV, Section 1):

- Text of any proposed bylaws amendment(s) shall be submitted to the Executive Committee, clearly stating the purpose of the proposed amendment, the existing section to be amended, and the exact language of the proposed amendment. Once a request has been initiated, the Executive Committee shall have at least thirty (30) days to review the proposed amendment(s) and provide recommendation to the full board for a vote, if necessary. Bylaws amendments shall be approved by a two-thirds ($2/3^{\text{rds}}$) majority of the National Board. All communications can take place electronically, provided the systems utilized have been deemed secure.
- Once the National Board has approved the proposed amendment(s), they shall be communicated to the National Council membership for approval, clearly stating the purpose of the proposed amendment, the existing section to be amended, and the exact language of the proposed amendment. Said communication shall also include the timeframe and method for voting. Voting for the bylaws amendment(s) shall remain open for thirty (30) days from the date the membership is notified. Each National Council voting member shall be eligible to cast one (1) vote. Any proposed bylaws amendment(s) shall be approved by a majority vote of those National Council members voting. At the completion of voting, the results of the vote shall be communicated to the membership. All communication, including membership voting, can take place electronically, provided adequate efforts have been made to communicate with all members, and the systems utilized have been deemed secure.

PARLIMENTARY AUTHORITY

The rules contained in Robert's Rules of Order Newly Revised shall govern this organization in all cases to which they are applicable and in which they are not inconsistent with the bylaws. (Bylaws, Article XVI, Section 1)