

Central Florida Chapter Board of Directors Policies

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Policy Statement

Central Florida Chapter Associated Builders and Contractors, Inc. Qualifications and Nominations for the Officers of the Board of Directors

The Nominations Committee will annually convene to recruit and review the candidates for the Board of Directors and Officers of the Association. Officers comprising the Executive Committee are the Chairman, Chairman-elect, and three vice chairmen are elected annually according to the Bylaws. The Immediate Past Chairman also serves on the Executive Committee.

Candidates for Chairman and Chairman-elect shall be the designated representative from contractor member companies in good standing and shall have served as an officer or director of the Association for at least two years.

Candidates for Vice Chairmen shall be the designated representative from member companies in good standing and shall have served as an officer or director of the Association for at least one year.

Representatives from associate and supplier member companies who have served a minimum of one year on the Board of Directors may be nominated and elected to serve a maximum of two years as Vice Chairman. Thereafter this person is eligible to run for re-election to Board of Directors. No more than one of the three vice chairmen positions shall be held by an associate or supplier member representative.

- Enacted by the Central Florida Chapter ABC Board of Directors May 11, 2009

POLICY CHANGES TO COMPLY WITH 990 REQUIREMENTS (2008)
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WYLIE introduced six policies necessary to comply with the IRS 990 income tax form completed by the chapter as a nonprofit 501(c) 6 organization. He had drafted policies that had been reviewed and approved by General Counsel Mike Sasso, and said that they generally conform to guidelines from National ABC. LAY noted that these are policy changes and do not require the amendment of the bylaws. Those policies and Board adoptions are as follows:

1. President and CEO/Key Employee Compensation Review

The compensation of the President and CEO and any Key Employees as defined by applicable IRS regulations shall be annually reviewed by the Executive Committee and/or a Compensation Committee appointed by the Executive Committee, consisting of Executive Committee members who have no conflict of interest with respect to the compensation under review in accordance with applicable IRS regulations. In conducting such review, the Committee shall:

- Review data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
- Make contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

A motion was made and seconded to adopt this compensation review policy. The motion passed.

2. Joint Venture Policy

In compliance with Internal Revenue Service guidelines for approval and management of ABC joint ventures, the following policy will apply to all Central Florida Chapter Associated Builders and Contractors, Inc. (ABC) joint ventures:

Activities Subject to this Policy (defined as a "Joint Activity(ies)"): Joint Activities are defined as any arrangement, including contractual or more formal arrangements undertaken through an LLC, partnership, or other entity, in which the ABC and another organization or business jointly undertake an activity or business, or otherwise agree to joint ownership of property. This could include both tax-exempt activities such as joint conferences and publications (excluding activities where 95% or more of the income generated is exempt from unrelated business income tax), as well as property transactions and investments.

Approval and Management of Joint Activities: When reviewing potential participation in a Joint Activity, the ABC will negotiate contractual and other terms of participation which safeguard the ABC's tax-exempt status, such as mechanisms to control the Joint Venture through 51% or greater voting rights, requiring that the Joint Venture give priority to exempt purposes, and ensuring that the Joint Activity will not engage in activities that would jeopardize the ABC's tax-exempt status.

Where there is a question as to whether a particular Joint Activity might jeopardize the ABC's tax-exemption, a decision will be made in consultation with legal counsel.

A motion was made and seconded to adopt this joint venture policy. The motion passed.

3. Document Availability to the Public Policy

Central Florida Chapter Associated Builders and Contractors, Inc. (ABC) shall make documents available to the public as legally required. The ABC 990 shall be available upon request at the offices of Central Florida Chapter Associated Builders and Contractors, Inc., 651 Danville Dr., Ste. 200, Orlando, FL 32825-6393. It is also available on the website www.guidestar.org. It will not be posted ABC's website unless required by federal or state statute.

The ABC Articles of Incorporation are available at the Secretary of State of Florida's web site and is a public document.

No names of contributors or volunteers will be released to the public unless required by federal or state statute.

All other governance documents will not be released to the public unless required by federal or state statute.

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Governance documents and monthly chapter financial statements approved by the Board of Directors shall be available for review at the chapter office to the primary contact of an active Central Florida Chapter ABC member upon request.

Location of Books and Records:

The books and records of ABC shall be under the control of the chapter President & CEO Mark P. Wylie (or his successors) at the offices of Central Florida Chapter Associated Builders and Contractors, Inc., 651 Danville Dr., Ste. 200, Orlando, FL 32825-6393.

A motion was made and seconded to adopt this document availability and location of books policy. The motion passed.

4. Records Retention and Destruction of Documents Policy

No officer, director, employee or agent of Associated Builders and Contractors shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any government department or agency or in relation to or contemplation of any such matter or case.

All staff, volunteers, board members, and outsiders responsible for maintaining ABC records shall comply with record retention guidelines established by the President of ABC (or his designee) for the maintenance, storage and destruction of the organization's documents and records in accordance with applicable law.

A motion was made and seconded to adopt the records retention and document destruction policy. The motion passed.

5. Whistleblower Policy

No officer, director, employee or agent of Central Florida Chapter Associated Builders and Contractors, Inc. (ABC) shall take any harmful action with the intent to retaliate against any person, including interference with employment or livelihood, for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any offense. Nor will any officer, director, employee or agent of the ABC take any harmful action with intent to retaliate against any employee or member of the ABC for reporting to an appropriate senior management or elected official the suspected misuse, misallocation or theft of any ABC resources.

Consistent with this policy, ABC employees and volunteers are encouraged to come forward with credible information on illegal practices or violations of adopted policies of ABC by providing such information to the Chairman, the President, or their designees.

A motion was made and seconded to adopt the whistleblower policy. The motion passed.

6. Conflict of Interest Policy

Central Florida Chapter Associated Builders and Contractors, Inc. (ABC) is committed to promote confidence and goodwill within the building and construction industry and between this industry and the general public. As part of this commitment, it is incumbent on the leaders of the association to be transparent in their dealings with service providers, vendors, competitors, and other leaders of the association when such dealings may conflict with their role as leaders of ABC.

For purposes of this policy, a conflict of interest is defined as any transaction or relationship that presents a conflict between an individual's obligations to ABC and the individual's personal, business, or other interests. This policy applies to members of the Board of Directors, ABC committee members, the ABC President and CEO, and the ABC chief financial officer.

Those ABC leaders who are covered by this policy shall not act in their leadership capacity in ways that cause them to benefit financially from a decision they make in a leadership capacity, including indirect benefits such as to family members or businesses with which they are closely associated, or otherwise raise questions about their loyalty to ABC. In any matters where there might be a conflict between the interests of the leader and of ABC, the leader should disclose this possible conflict to the group on which (s)/he serves and recuse her/himself from voting on such matters. Furthermore, should any person, volunteer or staff, serving on such a group be aware of a potential conflict of interest that a leader fails to disclose, (s)/he must raise the issue to the attention of the entire group.

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ABC's staff will make reasonable efforts to obtain information on an annual basis from ABC leaders, as may be necessary to enforce this policy.

A motion was made and seconded to adopt the conflict of interest policy. The motion passed.

-Enacted by the Central Florida Chapter ABC Board of Directors November 17, 2008

FINANCE POLICY (1998)

Purpose

It shall be the purpose of this policy to outline the practices which will govern the financial operation of the Association. It shall serve as a guide to the day-to-day operation of the Association. Nothing in this policy shall conflict with the Association Bylaws.

Enforcement

It shall be the duty and responsibility of the President & CEO to carry out the policies under the guidance and direction of the Budget and Finance Committee, which is chaired by the current chapter Chairman of the Board of Directors.

Insurance

All individuals who are responsible for the intake and expenditure of funds shall be properly insured.

Budget and Finance Committee

The function of the Budget and Finance Committee shall be to oversee and advise on all financial matters of the Association. In the absence of the Chairman, the Treasurer should be Vice Chairman of the Committee. The President & CEO shall be an ex-officio member of this committee.

Accounting Procedural Outline

Certain accounting procedures and internal controls shall be incorporated into operating routing and procedures:

Budget Control

- The President & CEO shall periodically compare actual budgeted receipts and expenditures and take immediate appropriate action to avoid a year end deficit investments
- The Budget and Finance Committee shall select an investment manager to advise on investing surplus general funds as well as segregated designated or restricted funds of the Association.
- The Executive Committee shall approve the selection of the investment manager and shall approve the investment policy of the Association.
- The investment manager may include a financial investment services company, credit union, commercial bank or other regionally or nationally operating investment company.
- Any excess monies from the general fund shall be invested in accordance with the Association's investment policy as approved by the Board of Directors.

Investment Goals and Guidelines

- It is the goal of the Association to obtain the highest rate of return on long term investments with the preservation of capital as a primary consideration. These investment funds shall be grouped as Operating Cash, Short Term Funds and Long Term Funds.
- Operating Cash account may be maintained at a commercial bank or savings institution with services suitable for the daily administration of the Association.
- Short Term Funds, other than those needed for operating cash, are to be invested under the following guidelines:
 - Invested for growth and income
 - Maintaining purchasing power (i.e., exceeding the rate of inflation) with a targeted real rate of return of 4-5% over inflation
 - Invested in liquid marketable securities
 - Asset allocation should not exceed 50% in equities and equity funds over a reasonable period of time, with the remainder invested in bonds and other liquid assets
- Long Term Funds are necessary to meet the current and long term goal of the association to own and occupy its facilities housing staff and program services. To meet these and other projected needs of the Association, it's estimated at this time that it would be necessary to have between \$300,000 and \$500,000 by the year 2010. With a goal to have funds sufficient to meet that need, Long Term Funds are to be invested as follows:
 - Equities and equity funds with a goal of meeting or exceeded the growth of the Dow Jones Industrial Average.
 - The initial investment in these funds shall be \$25,000.00. Thereafter, the Association shall make a monthly investment into this account of \$1,000.00.

- Adopted by the Central Florida Chapter ABC Board of Directors May 11, 1998