

## Board of Directors Responsibilities, Obligations and Expectations

### Summary

- Be the Noble Gentlemen of Noble Gentlemen.
- Attend Board meetings and national conventions.
- Attend other Fraternity events as ambassadors of the Board.
- Working Knowledge of the Strategic Plan 2020.
- Make Financial Contributions to Sig Tau fundraising efforts.
- Abide by the Constitution & Laws.
- Abide by the Board Governance Policy Manual.
- Follow the Board Code of Conduct.
- Follow the Board Conflict of Interest Policy.
- Support the programs and endeavors of Sig Tau.

### Overview

The governing body of Sigma Tau Gamma Fraternity is the Board of Directors. It consists of four Member-at-Large positions elected to serve one two-year term, one President-Elect, one National President, one Immediate Past President, and one Senior Past President who each serve an eight-year term when elected to the President-Elect position.

Directors of the Fraternity are expected to be the Noble Gentlemen of Noble Gentlemen. They are expected to be the leaders and role models of what it is to be a Sig Tau. They are expected to conduct their duties with the highest degree of integrity in their deliberations and decisions in relation to the organization, fellow Directors, CEO and Brothers. They are expected to exercise Wisdom and good judgment. They assume fiduciary duties and obligations as generally accepted under the law. They are expected to think globally, comprehensively and broadly for the good of the entire Fraternity rather than the narrow, parochial interest of a few. They are expected to contribute their time, talent and treasure for the advancement of Our Beloved Fraternity.

The Board of Directors is responsible for the governance of the Fraternity between Grand Conclave meetings. It is ultimately responsible for the success of the Fraternity. It makes decisions that impact some 3,000 collegiate members, over 61,000 living alumni members, and 82 collegiate chapters and associate chapters in 31 states. It approves a budget of nearly \$2.0 MM. It appoints Foundation Trustees and WPN Housing Company Managers. Over the past few years it has made such significant decisions as hiring a new CEO to replace the retiring CEO of over 42 years, engaging in an aggressive expansion and growth program, developing meaningful changes to the Purpose and Principles of the Fraternity

and moving the Fraternity's headquarters from Warrensburg, Missouri to Indianapolis, Indiana.

The Board of Directors sets the strategic vision for the Fraternity and traditionally addresses "big picture" type matters. The strategic vision is then implemented by the Chief Executive Officer, undergraduate members, and volunteers. The Board of Directors is not involved in the day-to-day operations of the Fraternity and does not manage the tactics used to achieve the strategic vision. Implicit in this philosophy is the importance of sound governance. It is the duty of the Board of Directors to set governance policy, as well as reasonable limitations of the CEO, and monitor the performance of the organization.

The Board of Directors is charged to be primarily focused on an organization-wide perspective. A significant aspect of the Board's structure is that it has "at-Large" seats rather than assignment of seats based upon a particular geographic region or area of responsibility. This feature indicates, and fosters, a philosophy of Directors taking a global, comprehensive and broad view regarding the decisions and actions they take. They should look to the best interest and good of the entire organization rather than the narrow, small parochial interest of a few, or a particular chapter or a particular region.

To fulfill its responsibilities and to discharge its duties, the Board of Directors follows the procedures and standards outlined in the Fraternity's Constitution, Laws, and Board Policy Governance Manual. The Board of Directors operates using philosophies of the Policy Governance Model promoted by John Carver and Miriam Mayhew Carver that was adopted by Sigma Tau Gamma in 2002. While the Board does not operate under a "pure" Carver Model, it has adopted many of its key principles such as the Board has One Employee (the CEO), Speaking with One Voice and avoiding entanglement in Operating Matters that are more appropriately the purview of the CEO. A significant departure from "pure" Carver is its approval of the annual budget. These guidelines are subject to modification from time to time as the Board of Directors deems necessary and appropriate in the best interests of the Fraternity or as required by applicable laws and government regulations.

The actions and decisions of the Board of Directors are made collectively. An individual, sole Director has no authority to make a decision or take an action on behalf of the Fraternity. All direction to the CEO is by Board resolution, with guidance between board meetings provided by the National President or his designee. Directors individually do not exercise authority over the CEO or staff and should refrain from public critical comment or judgment of staff performance. Directors are not involved in the day-to-day operations of the Fraternity nor on the tactics used to achieve the Ends.

As a part of its monitoring function, Directors receive extensive reports and data regarding the organization's performance from the CEO regularly at meetings and in monthly updates, and periodically as needed.

Each year at the Fall meeting the Board conducts an Annual Performance Review of the CEO. This provides the Board collectively and Directors individually the opportunity to provide the CEO feedback, both written and verbal, about his performance in the previous year.

Directors are expected to attend all Board meetings and conference calls (when applicable). The following is a schedule of the tentative face-to-face meeting dates and locations:

- i. July 1, 2018 (Held at Grand Conclave)
- ii. September or October, 2018 (Location TBD)
- iii. March 2019 (Location TBD)
- iv. June 2019 (Atlanta, GA)
- v. September or October, 2019 (Location TBD)
- vi. March 2020 (Location TBD)
- vii. June 2020 (Kansas City, MO)

Board of Directors members, individually and collectively, provide the link between the tangible organization and its membership. Directors are expected to engage in systematic connection with the stakeholders of the Fraternity during their tenure on the Board.

Leadership and being a role model includes supporting Sigma Tau Gamma fundraising endeavors. Directors are expected to make a minimum contribution of \$1,000.00 unrestricted gift annually to the Foundation and are expected to participate in ongoing Foundation campaigns. Please note that there is currently a proposal before the Board to raise that \$1,000.00 minimum threshold, and should it pass before the election in June, it will be effective for newly elected Directors at the beginning of the new term. Certified candidates will be notified if that becomes the case.

Directors are volunteers and as such, do not receive a salary for their service, but are reimbursed for their reasonable expenditures for travel on behalf of the Fraternity. Directors are expected to make and initially pay for their own travel arrangements. Following the Board Meeting or national convention, they can submit receipts for reimbursement for travel expenses. Candidates for the Board of Directors are not reimbursed for their travel expenses. The Fraternity will pay for a shared hotel room (single rooms are billed at ½ cost to you following the meeting) and meals while you are at a Directors' meeting. Directors are responsible for all program registration fees.

The Board of Directors commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. Directors are bound by the Board's Code of Conduct and Conflict of Interest Policy.

Directors may not serve as a Foundation Trustee, WPN Manager, Board of Advisor, Regional Director, or chapter/associate chapter Lead Advisor once elected to serve on the Fraternity Board of Directors.

Anyone interested in seeking a position on the Board of Directors is encouraged to reach out to the National President, President-elect, past National Presidents, and current and former Board members to ask questions or learn more about the Board and its activities.

### **Governing Documents References**

Any brother considering seeking a leadership role on the Board of Directors is strongly encouraged to study and understand the relevant portions of the Constitution and Laws of the Fraternity, and the Board Governance Policy Manual.

In the Constitution, Article XI outlines the composition, powers and authority of the Board.

In the Laws, Law XI addresses Election of the Board, and Law XII addresses Responsibilities of the Board.

The Strategic Plan 2020 contains the vision currently being implemented.

The Board Governance Policy Manual contains the Ends, Executive Limitations, Governance Process and Board / Chief Executive Linkage which govern the operations of the Board and Fraternity.

Copies of the above referenced governing and guiding documents will be supplied to Certified Candidates upon request.