

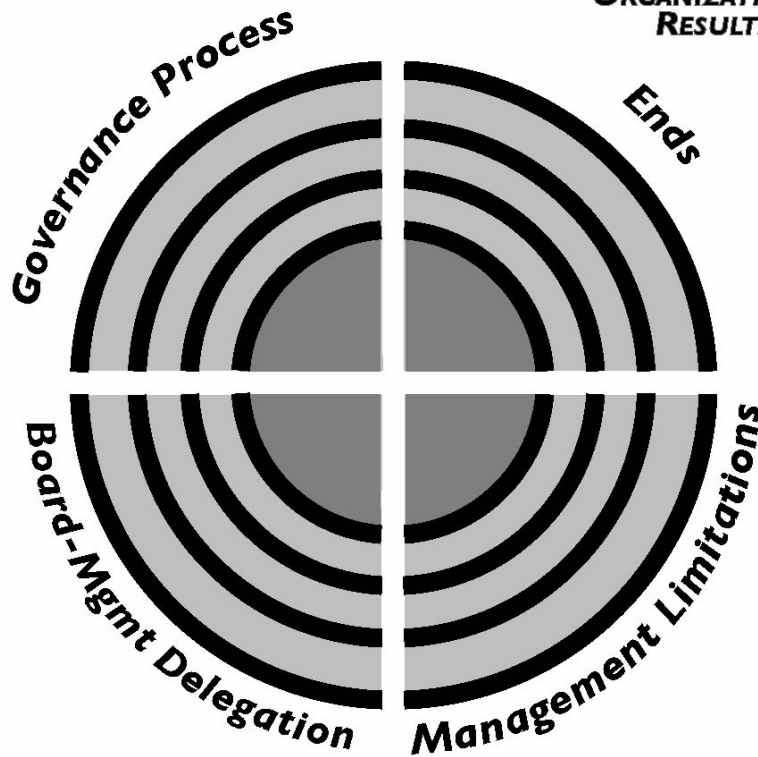


GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Rockford Area Convention & Visitors Bureau

BOARD MEANS

INTENDED ORGANIZATIONAL RESULTS



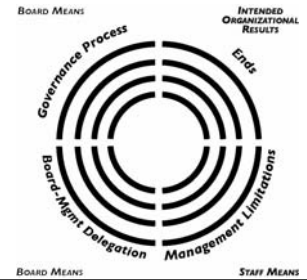
BOARD MEANS

STAFF MEANS



GOVERNING POLICIES OF THE RACVB BOARD OF DIRECTORS

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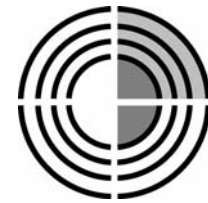
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Policy 1.0 – ENDS

Date Adopted/Last Revised: 8/26/09

1.0 Global Ends Statement:

The Rockford Area Convention & Visitors Bureau exists for

**Positive Economic Impact for Our Community
Through Investments in Tourism**

(with results justifying resources expended)

Priority Results:

1.1 Create Economic Wealth: The Rockford Region Experiences Growth in Tourism Leading Indicators at a Greater Rate than the Competitive Set.

RACVB Role: Lead regional marketing and sales efforts for the destination, the success of which will be determined by monitoring the following indicators:

- A. Hotel occupancy and average daily rate.
- B. Hotel sales tax revenues.
- C. Food and beverage tax revenues.
- D. Group sales leads and room nights booked.
- E. Attractions and activities attendance.
- F. Positive perceptions among key target segments.

1.2 Enhance Tourism Product: The Rockford Region Offers Unique and Marketable Visitor Experiences and Venues that Meet or Exceed User Expectations

RACVB Role: Influence the creation of high quality tourism experiences through advocacy, involvement in planning, and appropriate investment in research and development for products and services that establish the following:

- A. There is a hospitality culture among residents and tourism workers.
- B. There are high quality sports facilities, meeting venues, special events and leisure activities.
- C. There is a suitable range of visitor accommodations for leisure and group travelers.
- D. The Rockford Region offers a safe and beautiful environment with adequate transportation infrastructure.

1.3 Communicate With Constituents: The RACVB Tourism Marketing Efforts Have Broad Support among Key Stakeholders

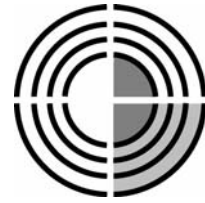
RACVB Role: Monitor the perceptions of important community constituents as influenced through effective RACVB communications and strong relationships. Indicators include:

- A. The role of tourism valued by residents of Winnebago County.
- B. Tourism initiatives are supported by government leaders and public policy.
- C. There is growth in the Engagement of business, education and community group leaders on behalf of tourism.
- D. There is appropriate exposure of plans and activities in local and regional media.

EXTERNAL ROLE STATEMENT: The RACVB adds wealth to the region's economy by growing tourism.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.0 – GENERAL EXECUTIVE CONSTRAINT

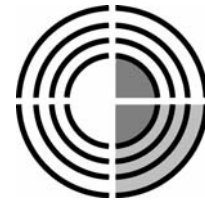
Date Adopted/Last Revised: 8/26/09

Management Limitations

The President/CEO shall not cause nor allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



**Policy 2.1 – TREATMENT OF CUSTOMERS,
PARTNERS & STAKEHOLDERS**

Date Adopted/Last Revised: 8/26/09

Management Limitations

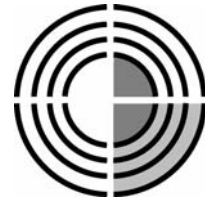
With respect to interactions with customers, stakeholders and/or partners, the President/CEO shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, untimely, unresponsive, unnecessarily intrusive, or which fail to provide appropriate confidentiality or privacy.

Accordingly, the President/CEO shall not:

1. Use methods of collecting, reviewing, transmitting, or storing client information that fails to protect against improper access to the material elicited.
2. Operate without communicating to customers/stakeholders/partners a clear understanding of what may be expected from the service(s) and/or programs offered.
3. Operate without earnest efforts to collaborate with other organizations and entities to achieve RACVB's Ends.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.2 – TREATMENT OF STAFF

Date Adopted/Last Revised: 8/26/09

Management Limitations

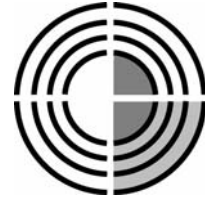
With respect to the treatment of paid and/or volunteer staff, the President/CEO may not cause or allow conditions that are unfair, unsafe or undignified.

Accordingly, pertaining to paid staff, the President/CEO shall not:

1. Operate without written personnel policies, approved by legal counsel, which clarify personnel rules for staff, provide for effective handling of grievances protect against wrongful and/or unlawful conditions.
2. Allow staff to be unaware of these governing policies.
3. Retaliate or allow retaliation against an employee for non-disruptive, internal expression of dissent, or for reporting to management or to the Board of Directors (per the process for handling of grievances in the personnel policies) acts or omissions by RACVB personnel, management or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Board.
 - A. Staff may not be prevented from grieving to the board when (1) internal grievance procedures have been exhausted *and* (2) the employee alleges that board policy has been violated.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.3 – FINANCIAL PLANNING/BUDGETING

Date Adopted/Last Revised: 8/26/09

Management Limitations

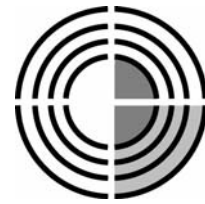
Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Ends priorities, risk fiscal jeopardy, or fail to take into consideration a three-year plan

Accordingly, the President/CEO shall not allow budgeting which:

1. Risks incurring those situations or conditions described as unacceptable in the “Financial Conditions and Activities” Board policy.
2. Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
4. Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy (in Governance Process).
5. Fails to maintain operating reserves equivalent to 3 months of basic operating reserves. Operating reserves are defined as available cash on hand (cash or highly liquid assets), and do not include any line of credit or other form of cash flow debt instruments in the calculation thereof.
6. Does not maintain and include a list of unfunded project priorities for board awareness, in the event of an unplanned/unanticipated increase in unrestricted cash.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.4 – FINANCIAL CONDITION & ACTIVITIES

Date Adopted/Last Revised: 8/26/09

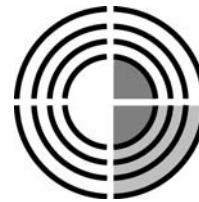
Management Limitations

With respect to the actual, ongoing financial condition and activities, the President/CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies. Accordingly, the President/CEO shall not:

1. Expend more funds than have been received in the fiscal year to date unless the operating reserve guidelines are met, according to 2.3.5.
2. Indebt the organization in an amount greater than \$100,000. The long-term financial goal shall be the development of operating reserves sufficient to maintain normal operations during low revenue periods, and the development of a separate Board designated reserve.
3. Operate without settling payroll and debts in a timely manner.
4. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed. Requirements include but are not limited to annual independent audits, audit compliance, annual 990 statements, annual budgets, quarterly activity reports and financial statements; minutes, and agendas from Board meetings; and all other documents required by RACVB contracts and laws of the City, County, State and Federal governments.
5. Make a single purchase or commitment of greater than \$10,000, unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders and/or paying from two consecutive fiscal years to avoid this limit is not acceptable.
6. Solely execute checks in an amount greater than \$2,500, or solely execute any payments to himself/herself. Signators are to be in the priority order of signing as outlined in Policy 4.8.2.C where signatures on checks are required by Board member.
7. Acquire, encumber or dispose of real property.
8. Fail to aggressively pursue material receivables in accordance with commonly accepted practices.
9. Obtain revenues from sources that are not, in fact and appearance, legal and consistent with the ends policies, mission and values of the organization.
10. Use restricted contributions for purposes other than stated by the contributor.
11. Fail to exercise adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets. The organization shall not have secret funds and it shall prohibit any unaudited transactions or loans.
12. Pledge any of the assets of the corporation as security within any contracts.
13. Allow the expenditure of organizational funds for travel purposes, which are not specifically related to or consistent with the organization's purpose and functions.
14. Permit use of corporate credit cards or RACVB credit accounts for non-business purchases.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.5 – ASSET PROTECTION

Date Adopted/Last Revised: 8/26/09

Management Limitations

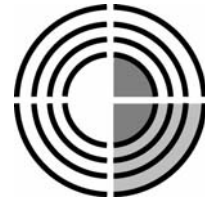
The President/CEO shall not allow the assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, he or she may not:

1. Allow the organization to be uninsured:
 - A. against theft and casualty losses to at least replacement value ; and
 - B. against liability losses to board members, staff and the organization itself in an amount equal to the average for comparable organizations; and
 - C. against employee theft and dishonesty. (Fidelity bonding may be used as a substitute for such insurance)
2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
3. Fail to employ risk management practices to minimize exposure of the organization, its board or staff to claims of liability.
4. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest, and (b) of over \$5,000 without having obtained comparative prices and quality.
5. Allow intellectual property, information and files to be exposed to loss, improper access, or significant damage, or operate without maintaining documents and records in accordance with a Records Retention Schedule approved by legal counsel.
6. Receive process or disburse funds under controls that are insufficient to meet the board appointed auditor's standards.
7. Invest or hold operating capital in insecure instruments, or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
8. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.
 - A. The CEO may not fail to have in place a Crisis Communications Plan, reviewed and updated annually, which specifies:
 - i. Designated media spokespersons
 - ii. Procedures for press queries, requests for public information, preparation and dissemination of news releases, press statements, feature articles, requests for interviews and media relations in an emergency.
 - iii. Its applicability to all employees, contract workers, agents, officers and Board members in an emergency.
9. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisers.
10. Change the organization's name or substantially alter its identity.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.6 – EMERGENCY EXECUTIVE SUCCESSION

Date Adopted/Last Revised: 8/26/09

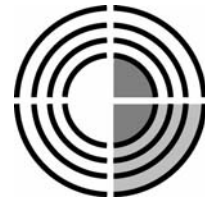
Management Limitations

In order to protect the board from sudden loss of chief executive services, the chief executive may have no less than one other member of the executive/management team sufficiently familiar with board and chief executive issues and processes to take over with reasonable proficiency as an interim successor.

1. The President/CEO may not fail to have in place a “key person” life insurance policy in the amount of at least \$250,000 with Rockford Area Convention & Visitors Bureau as the named beneficiary.
2. The CEO will not operate without management succession planning processes to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization in all areas over the long term.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.7 – COMPENSATION & BENEFITS

Date Adopted/Last Revised: 8/26/09

Management Limitations

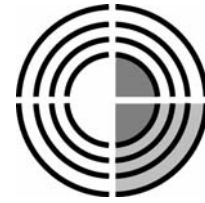
With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the President/CEO shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, he or she may not:

1. Change his or her own compensation and benefits.
2. Promise or imply anything other than “at-will” employment.
3. Establish current compensation and benefits for employees that deviate materially from the geographic or professional market for the skills employed.
4. Pertaining to consultants and contract vendors, create obligations over a longer term than revenues can be safely projected, in no event longer than one year.
5. Establish or change retirement benefits so as to cause situations that are unpredictable for the organization, or inequitable for employees.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



**Policy 2.8 – COMMUNICATION & SUPPORT TO
THE BOARD**

Date Adopted/Last Revised: 8/26/09

Management Limitations

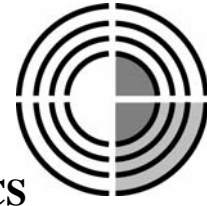
The President/CEO shall not permit the board to be uninformed or unsupported in its work.

Accordingly, he or she may not:

1. Neglect to submit monitoring reports (including CEO interpretations of Board policies being monitored, as well as relevant data) required by the board (see policy 3.4 on Monitoring President/CEO Performance in Board/Staff Linkage) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.
2. Let the board be unaware of relevant trends, anticipated adverse media coverage, or material external and internal changes. The Board should be notified in advance of material internal changes, when feasible.
3. Fail to advise the board if, in the President/CEO's opinion, the board is not in compliance with its own policies on Governance Process and Board/Staff Linkage, particularly in the case of board behavior that is detrimental to the work relationship between the board and the President/CEO.
4. Fail to marshal for the board as many staff and external points of view, issues and options as needed for fully informed board choices.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types:
 - A. Monitoring
 - B. decision preparation, and
 - C. incidental.
6. Allow the Board to be without logistical and administrative support for official board, officer or committee communications and activities.
7. Fail, when addressing official Board business, to deal with the board as a whole, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
8. Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the board.
9. Fail to supply for the consent agenda all items delegated to the President/CEO yet required by law or contract to be board approved, along with the monitoring assurance pertaining thereto.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 2.9 – PROGRAMS/EVENTS/SERVICES/LOGISTICS

Date Adopted/Last Revised: 8/26/09

Management Limitations

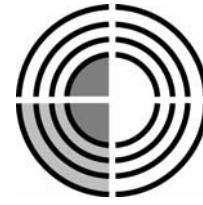
With respect to the programs and events produced or services provided by the organization, the President/CEO shall not fail to ensure that these programs, events or services exceed community/industry standards for excellence in programming, safety and audience amenities.

Accordingly, he or she may not:

1. Fail to produce and implement an operational plan designed to ensure that the programs, events or services are well organized, are safe for all attendees, and run on schedule.
2. Fail to work actively and cooperatively with venue management, as well as with neighboring property owners/merchants/residents to minimize any inconvenience or other negative impacts caused by the event(s).



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



**Policy 3.0 – GOVERNANCE – MANAGEMENT
CONNECTION**

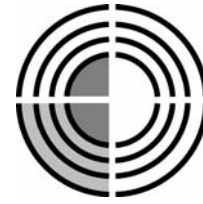
Date Adopted/Last Revised: 8/26/09

Board-Management Delegation

The board's sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer (CEO), titled President/CEO.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 3.1 – UNITY OF CONTROL

Date Adopted/Last Revised: 8/26/09

Board-Management Delegation

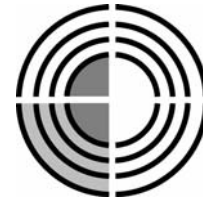
Only officially passed motions of the board are binding on the President/CEO.

Accordingly:

1. Decisions or instructions of individual board members, officers, or committees are not binding on the President/CEO except in rare instances when the board has specifically authorized such exercise of authority.
2. In the case of board members or committees requesting information or assistance without board authorization, the President/CEO can refuse such requests that require, in the President/CEO's opinion, an inappropriate amount of staff time or funds or are disruptive. The committee or Board member may then refer such requests to the full Board for consideration.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



**Policy 3.2 – ACCOUNTABILITY OF THE
PRESIDENT/CEO**

Date Adopted/Last Revised: 8/26/09

Board-Management Delegation

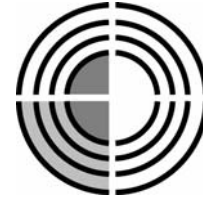
The President/CEO is the board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the President/CEO.

Accordingly:

1. The board will not give instructions to persons who report directly or indirectly to the President/CEO.
2. The board will not evaluate, either formally or informally, any staff other than the President/CEO.
3. The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and compliance with Management Limitations will be viewed as successful CEO performance.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



**Policy 3.3 – DELEGATION TO THE
PRESIDENT/CEO**

Date Adopted/Last Revised: 8/26/09

Board-Management Delegation

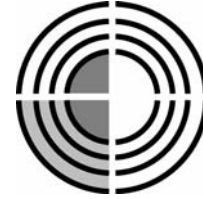
The board will instruct the President/CEO through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the President/CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The board will develop and maintain *Ends* policies instructing the President/CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels.. All issues that are not Ends issues as defined here are Means issues.
2. The board will develop and maintain *Executive Limitations* policies that limit the latitude the President/CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. These policies will be developed systematically from the broadest, most general level to more defined levels. The Board will not prescribe organizational means delegated to the CEO.
3. An Ends or Management Limitations policy at a given level does not limit the scope of any preceding level.
4. As long as the President/CEO uses reasonable interpretation of the board's Ends and Executive Limitations policies, the President/CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
5. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and President/CEO domains. By doing so, the board changes the latitude of choice given to the President/CEO. However, as long as any particular delegation is in place, the board will respect and support decisions made by the President/CEO's that are consistent with Board policy, as reasonably interpreted.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



**Policy 3.4 – MONITORING PRESIDENT &
CEO PERFORMANCE**

Date Adopted/Last Revised: 8/26/09

Board-Management Delegation

The Board will systematically and rigorously monitor President/CEO job performance to determine the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Limitations policies.

Accordingly:

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not address policy compliance will not be considered in the evaluation of the President/CEO's job performance.
2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the President/CEO discloses, in writing, policy interpretations and compliance information to the board, (b) by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and (c) by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
3. In every case, the Board will judge whether (a) the CEO's interpretation is reasonable, and (b) whether data demonstrate accomplishment of or compliance with the CEO's interpretation.
4. In every case, the standard for compliance shall be reasonable CEO interpretation of the Board policy being monitored. The Board is the final judge of reasonableness, and will always judge with a "reasonable person" test. Interpretations favored by individual board members or by the Board as a whole shall not constitute a "reasonable person" test.
5. Actions determined to be not compliant with a reasonable interpretation of Board policies will be subject to a remedial process agreed to by the Board.
6. All policies instructing the President/CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule.

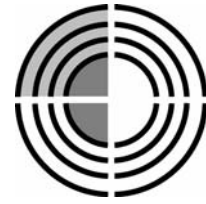
Policy 3.4 – MONITORING PRESIDENT/CEO PERFORMANCE (CONTINUED)

| POLICY | METHOD | FREQUENCY | MONTH |
|--|---------------|------------------|-------------------------------|
| ENDS | | | |
| 1.0 Global End | Internal | Annually | January |
| 1.1 Create Economic Wealth: The Rockford Region Experiences Growth in Tourism Leading Indicators at a Greater Rate than the Competitive Set | Internal | Semi-Annually* | March, October |
| 1.2 Enhance Tourism Product: The Rockford Region Offers Unique and Marketable Visitor Experiences and Venues that Meet or Exceed User Expectations | Internal | Semi-Annually* | April, November |
| 1.3 Communicate With Constituents: RACVB Tourism Marketing Efforts Have Broad Support among Key Stakeholders | Internal | Semi-Annually* | July, December |
| MANAGEMENT LIMITATIONS | | | |
| 2.0 Executive Constraint | Internal | Annually | September |
| 2.1 Treatment of Customers, Partners & Stakeholders | Internal | Annually | May |
| 2.2 Treatment of Staff | Internal | Annually | February |
| 2.3 Financial Planning | Internal | Quarterly | April, July, October, January |
| 2.4 Financial Condition & Activities | Internal | Quarterly | April, July, October, January |
| 2.5 Asset Protection | Internal | Annually | November |
| 2.6 Emergency CEO Succession | Internal | Annually | November |
| 2.7 Compensation & Benefits | Internal | Annually | November |
| 2.8 Communication & Support to the Board | Internal | Semi-Annually | June, December |
| 2.9 Programs/Events/Services/Logistics | Internal | Annually | May |

* While periodic CEO updates on Ends achievements are beneficial, and policy requires the Board to be informed promptly about “material changes” or “anticipated non-compliance” issues, RACVB’s ends are, at the broadest level, appropriately long-term in nature. The overwhelming majority of boards find that *formal monitoring of Ends achievement once a year is appropriate, and adequate.* **NOTE:** *This does not mean Ends should only be discussed at that frequency – Board education and exploration of Ends related issues should be the primary current/emphasis of agenda planning.*



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

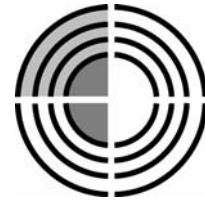
Policy 4.0 – GOVERNANCE COMMITMENT

Date Adopted/Last Revised: 8/26/09

The purpose of the board, on behalf of the Rockford Region, is to see to it that the Rockford Area Convention & Visitors Bureau (1) achieves appropriate results for appropriate stakeholders at an appropriate worth/priority (as specified in Ends policies), *and* (2) avoids unacceptable actions and situations.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

Policy 4.1 – GOVERNING STYLE & VALUES

Date Adopted/Last Revised: 8/26/09

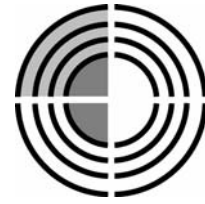
The board will govern lawfully, observing Policy Governance principles, with an emphasis on (a) integrity and truthfulness in all methods and practices; (b) outward vision rather than an internal preoccupation, (c) encouragement of diversity in viewpoints, (d) strategic leadership more than administrative detail, (e) clear distinction of board and chief executive roles, (f) collective rather than individual decisions, (g) future rather than past or present, and (h) proactively rather than reactively.

Accordingly:

1. The organization, in its hiring and other activities, will not discriminate on the basis of race, color, ancestry, creed, national origin, religion, age, disability, political affiliation, sex, sexual orientation, or marital, parental or military status.
2. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the primary initiator of policy, not merely a reactor to staff initiatives.
3. The board may use the expertise of individual members to enhance the board's understanding of issues, but will not substitute such expertise for the judgment of the board.
4. The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling board commitments.
5. The board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives about ends to be achieved and means to be avoided. The board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.
6. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
7. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board/Staff Linkage categories.
8. Board meetings will be open to the public. The public will be welcomed and given an opportunity for open comment at each meeting. Given the sensitive and competitive nature of our business, however, the board may go into executive session as necessary.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

Policy 4.2 – BOARD JOB DESCRIPTION

Date Adopted/Last Revised: 8/26/09

The job of the board is to represent the Rockford Region in determining and demanding appropriate organizational performance

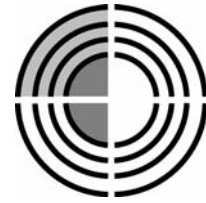
Accordingly:

1. The board will produce the link between the organization and the Rockford Region.
2. The board will produce realistic written governing policies that, at the broadest levels, address each category or organizational decision:
 - A. ENDS: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost/worth/priority.)
 - B. EXECUTIVE LIMITATIONS: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - C. GOVERNANCE PROCESS: Specification of how the board conceives, carries out and monitors its own task.
 - D. BOARD/STAFF LINKAGE: How power is delegated and its proper use monitored: the President/CEO role, authority and accountability.
3. The board will assure successful President/CEO performance on Ends and Executive Limitations.
4. The board will work to affect legislation deemed desirable and consistent with the Rockford Area Convention & Visitors Bureau's "Ends."
5. To promote communication and understanding regarding the Bureau's activities, the board will meet with the designated representatives of the city and county to identify any additional information they may require.

(A BOARD CAN SET ANNUAL TARGETS ABOUT INTEGRITY OR COMPLETENESS IN THESE AREAS)



GOVERNING POLICY OF THE RACVB BOARD OF DIRECTORS



Policy 4.3 – AGENDA PLANNING

Date Adopted/Last Revised: 8/26/09

Governance Process

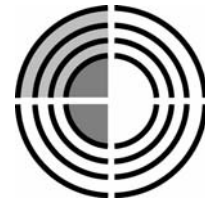
To fulfill its role, the board will follow an annual workplan that (1) completes a re-exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

Accordingly:

1. The board's annual planning cycle concludes each year on the last day of March so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long term Ends.
2. The cycle will start in April with the board's development of its agenda for the next year.
 - A. Methods of gaining stakeholder input, governance education, and education related to Ends determination, (e.g. presentations by futurists, advocacy groups, demographers, staff, etc.) will be determined by June 30, for implementation during the balance of the board's planning cycle.
 - B. The Chair is encouraged, at the commencement of the board's annual planning cycle, to prepare a tentative agenda plan for the following year's meetings.
3. The agenda for any particular meeting will be determined by the chair, although board members are encouraged to recommend any appropriate matters for board discussion.
 - A. Board members may recommend or request a matter for board discussion by submitting the item to the chair at least ten (10) days prior to the scheduled board meeting.
 - B. By an affirmative vote of a majority of the members of the board, or of those present at a meeting, additional matters may be added to the agenda of any board meeting.
 - C. Board agendas and packets are to be received by board members no later than four (4) working days prior to regularly scheduled board meetings.
4. The board will attend to consent agenda items (those items delegated to the President/CEO yet required by law or contract to be Board-approved) as expeditiously as possible.
 - A. The Board will, once per year per bank requirements, designate additional check signators, including the Chair, Vice-Chair and Secretary. Members of the Audit Committee shall not be among those so designated.
5. At each meeting, the Board will act upon any monitoring reports received since the prior meeting. The Board's decision to approve or not approve a report will be based on whether a majority of members judge such report to have demonstrated achievements (Ends) or compliance (Limitations) of a reasonable interpretation of the applicable policy.
6. President/CEO remuneration will be decided after a review of the Board's judgment of monitoring reports received in the last year during the month of June.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

Policy 4.4 – CHAIRPERSON’S ROLE

Date Adopted/Last Revised: 8/26/09

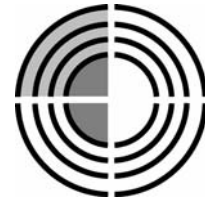
The Chairperson, as the Chief Governance Officer (CGO), assures the integrity of the board’s process and, secondarily, occasionally represents the board to outside parties.

Accordingly:

1. The job result of the chairperson is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - A. Meeting discussion content will be only those issues that, according to board policy, clearly belong to the board to decide, consider or monitor.
 - B. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
2. The chairperson is authorized to make decisions consistent with board policies on Governance Process and Board/Staff Linkage, with the exception of (a) employment/termination of the President/CEO, or (b) instances where the board specifically delegates portions of this authority to others. The chairperson is authorized to use any reasonable interpretation of the provisions in these policies.
 - A. The chairperson is empowered to chair board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
 - B. The chairperson has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the chairperson has no authority to supervise or direct the President/CEO.
 - C. The chairperson may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
 - D. The chairperson may delegate this authority but remains accountable for its use.
 - E. The chairperson may appoint chairpersons and members of board committees, except as otherwise specified in the bylaws or board policies.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 4.5 – BOARD MEMBERS’ CODE OF CONDUCT

Date Adopted/Last Revised: 8/26/09

Governance Process

The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

Accordingly:

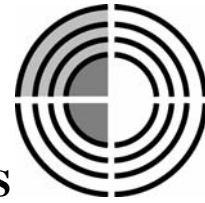
1. Board members must represent unconflicted loyalty to the interests of the Rockford Region, this “Duty of Loyalty” requires that Board members deliberate and vote, unconflicted by loyalties to other entities, Bureau staff, and/or Board members’ participation and/or loyalty to other boards or organizations. It also supersedes the personal interest of any board member acting as a consumer of the organization’s services.
2. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 - B. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote but also from the deliberation.
 - C. Board members must not use their positions to obtain employment for themselves, family members or close associates. Should a board member apply for employment, he or she must first resign.
 - D. Members will annually disclose their involvements with other organizations, with vendors, or any other associations that might produce a conflict.
 - E. In case of a dispute regarding the existence of a real or perceived conflict of interest, the board shall vote as to whether a conflict is present, and the vote of the board shall be final. The individual with the potential conflict of interest shall not vote.
3. Board members may not attempt to exercise individual authority over the organization.
 - A. Board members’ interaction with the President/CEO or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.
 - B. Board members’ interaction with public, media or other entities must recognize the same limitation and the inability of any board member to speak for the CEO, or speak for the board except to repeat explicitly stated board decisions.
 - C. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policies, Board members will not publicly express individual judgments of performance of employees or the CEO.

Policy 4.5 – BOARD MEMBERS’ CODE OF CONDUCT *(CONTINUED)*

4. A Board member aware of credible information that suggests that a Board policy has been violated, by either the Board or the CEO, has an affirmative obligation to bring the concern to the Board’s agenda for monitoring.
5. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
6. In case of any emergency, Board members’ interactions with the media or public officials must be consistent with the procedures outlined in the RACVB’s Crisis Communications Plan.
7. Board member will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member’s personal position on the issue.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 4.6 – DIRECTORS’ INDIVIDUAL RESPONSIBILITIES

Date Adopted/Last Revised: 8/26/09

Governance Process

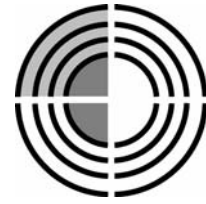
The leadership success of the board is a direct result of the individual and collective participation of its members.

Therefore, each board member is expected to participate in the following ways:

1. Attendance – As board contemplation, deliberation and decision-making are processes that require wholeness, collaboration and participation, attendance at board meetings is required of board members. Members may not be absent from more than thirty percent (30%) of the board’s regularly scheduled meetings in the board’s annual planning cycle including retreat (April through March) year. Any absence which exceeds this allotment will be interpreted as that member’s resignation from the board.
2. Preparation and Participation – Board members will review agenda materials in advance of Board and committee deliberations, and will participate productively in discussions, always within the boundaries of discipline established by the board. Each member will contribute his or her own knowledge, skills and expertise to the board’s efforts to fulfill its responsibilities.
3. Members as Individuals – The President/CEO is accountable only to the board as a whole, and not to individual board members. Accordingly, the relationship between the President/CEO and individual members of the board, including the board chair, is collegial, not hierarchical.
4. Voluntarism – As the functioning and success of the organization depend largely on the involvement and dedication of volunteers, all board members are encouraged, but are not required, to serve as volunteers on operating committees. In view of the President/CEO responsibility for operational activities and results, members of the board who choose, as individuals, to act as operational volunteers are subject to the direct supervision of the President/CEO or responsible staff person.
5. In addition to attendance at Board meetings, Board members are:
 - A. Expected to attend:
 - i. Board Retreats
 - ii. Committee/Task Force meetings
 - B. Encouraged to attend:
 - i. Board Stakeholder Events
 - ii. Lobby Day in Springfield
 - iii. Board Linkage meetings and events
 - iv. RACVB news events and major event openings



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

Policy 4.7 – BOARD COMMITTEE PRINCIPLES

Date Adopted/Last Revised: 8/26/09

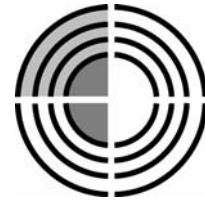
Board committees, when used, have one essential role – to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from board to President/CEO, or from the President/CEO to other staff.

Accordingly:

1. Board committees may be established to help the board do its job, not to help, advise or exercise authority over the staff.
2. Board committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation, undertaking activities not delegated to the President/CEO, or by performing specific monitoring functions. Board committees will normally not have direct dealings with current staff operations.
3. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the President/CEO.
4. Because the President/CEO works for the full board, he or she will not be expected to obtain approval of a board committee before an executive action.
5. This policy applies to any group which is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the President/CEO.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

Policy 4.8 – BOARD COMMITTEE STRUCTURE

Date Adopted/Last Revised: 8/26/09

A committee is a board committee only if its existence and charge come from the board, regardless of whether board members sit on the committee. The only standing board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The President/CEO will serve as a non-voting member of each committee.

Standing Committees:

1. Board Development Committee (*formerly known as Nominating Committee*)-

- A. **Product:** Properly screened potential board members and proposed slate of officers, consideration being given to inclusion of City/County and hospitality industry representation.
- B. **Authority:** To incur costs of no more than \$500 in direct charges and no more than thirty (30) hours of staff time.
- C. **Composition:** The current Board Chair plus three (3) board members elected by the Board each year in November. The Committee shall select its Chairperson from among its members.

2. Audit/Budget Committee

- A. **Product #1:** Confirmation of auditor's independence, and recommendation to Board for engagement of auditor — by no later than May 15th of each year.

Product #2: Annual specification of scope of audit, prior to outside audit, consistent with Board monitoring schedule (3.4), including approval of any permitted non-audit services to be provided by the independent auditor.

Product #3: Assurance that the auditor has unfettered access to organizational management and records.

Product #4: Review with the independent auditor of any problems encountered performing the audit, of the audited financial statements, and of any management letter provided by the auditor.

Product #5: Recommendations for Board consideration regarding revisions to the Board's fiscal policies.

- B. **Authority:** To incur costs of no more than \$12,000 in direct charges and management time as needed.
- C. **Composition:** The Treasurer shall serve as Chairperson. Committee to also include up to four (4) additional members, no fewer than two (2) of whom must be Board members, appointed by the Board each year.

Policy 4.8 – BOARD COMMITTEE STRUCTURE (*CONTINUED*)

3. CEO Compensation Committee

A. Product #1: Annual CEO compensation package alternatives for Board consideration. To be presented to the Board in a timely manner to allow Board action in June of each year.

Product #2: Accompanying the options for Board consideration, data as to comparable compensation for similarly qualified persons in functionally comparable positions at similar organizations.

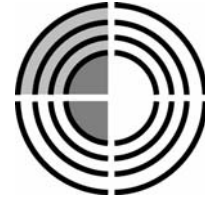
Product #3: Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding CEO compensation.

B. Authority: To incur costs of no more than \$___ in direct charges, to include compensation surveys and outside counsel to draft contract (if Board chooses to enter into an Employment Agreement), and no more than ___ hours of management time.

C. Composition: Three members, including a Chairperson, appointed by the Board Chair each year.



GOVERNING POLICY OF THE RACVB BOARD OF DIRECTORS



Policy 4.9 – BOARD SIZE, NOMINATION, ELECTION & TERM LIMITS

Date Adopted/Last Revised: 8/26/09

Governance Process

The Board aims to maintain a composition of members consistent with its by-laws. The Board Development Committee will properly screen and nominate, for board consideration, the Board Chair, Vice- Chair, and the officers of the organization, as stipulated in the bylaws, and will nominate individuals to fill vacancies on the board.

Accordingly:

1. The Chair of the Board shall, by November, have on the Board's agenda the election of at least three individuals to serve, with the Board Chair, on the Board Development Committee. The members will be selected from those who are not, at the conclusion of the current fiscal year, up for re-nomination.
2. Nominations for Board chair, vice-chair and officers, and for individuals to fill vacant board seats, will be made and voted upon at the April meeting. At the January meeting, the Board Development Committee will solicit suggestions from the board for such nominations.
3. At the April meeting, the board shall:
 - A. Approve or disapprove the Board Development Committee's nominations for chair, vice-chair, secretary and treasurer as a single slate; and
 - B. Approve or disapprove the Board Development Committee's nominations for new Board members as a single slate.
 - C. Should either slate not be approved, nominations for the respective positions will be opened to the floor of that Board meeting.
4. Members of the board shall serve no more than two consecutive three-year terms. The only exception to this policy is:
 - A. The board chair, who will serve one year as chair and the following year as a board member (even if such individual's term would exceed the limit during such period of time).
5. Board member/officer terms begin in May. The last meeting of an outgoing board member whose term has expired is May.
6. Members who serve two consecutive three-year terms may be nominated for board membership again after spending a minimum of one year as a non-member of the board.
7. Re-nomination/nomination of board members may be based upon such factors as the Board Development Committee deems appropriate, including a prospective board member's personal knowledge, skills, demonstrated leadership and commitment to the organization, professional relationships, professional associations and, for existing board members, fulfillment of individual directors' responsibilities. In addition, as the organization's needs may change over time, it is expected that the Board Development

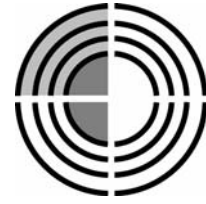
Policy 4.9 – BOARD SIZE, NOMINATION, ELECTION & TERM LIMITS (CONTINUED)

Committee may find it necessary to replace at least some members whose current terms are expiring with individuals who may better satisfy such needs. Accordingly, no member should expect to be re-nominated at the end of his or her term.

8. In addition to the voting members, the Chairman of the Board and/or Chief Executive Officer of the Rockford Chamber of Commerce and/or Rockford Area Economic Development Council; the Chairman of the Board and/or Chief Executive Officer of the Rockford Park District may serve as voting ex-officio members of the Board of Directors.
9. The Mayor of Rockford and the Winnebago County Chairman may appoint up to two (2) members each to serve as non-voting liaisons to the Board.
10. The Mayors of Loves Park, Machesney Park, Rockton & other communities, as determined by contract or the Board, may appoint a non-voting liaison to the Board.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Governance Process

Policy 4.10 – COST OF GOVERNANCE

Date Adopted/Last Revised: 8/26/09

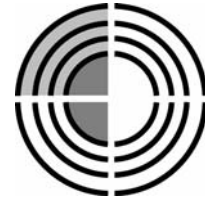
The board will consciously invest in its governance capacity.

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - A. Training and retraining will be used to orient new members and candidates for board membership, as well as to maintain and increase existing member skills and understandings.
 - B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
 - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior governance.
 - A. Up to \$2,500,00 in FY2010 for training, including attendance at conferences and workshops.
 - B. Up to \$14,000 in FY2010 for audit and other third-party monitoring of organizational performance.
 - C. Up to \$11,500 in FY2010 for surveys, focus groups and opinion analyses, and board meeting and retreat costs.
 - D. Up to \$5,000 in FY2010 for the Board Communication Plan.



**GOVERNING POLICY OF THE
RACVB BOARD OF DIRECTORS**



Policy 4.11 – ANNUAL GOVERNANCE WORKPLAN

*Date Adopted/Last Revised: **DRAFT FOR OCTOBER 2009 RETREAT** Governance Process*

In fulfilling its responsibilities as outlined in the Board Job Description policy (4.3), the RACVB Board hereby establishes the following annual priorities:

1. The board will produce the link between the organization and the Rockford Region:
SPECIFIC OBJECTIVES FOR THE BOARD YEAR ENDING MARCH, 2010:
 - A. *Objective / Timeframe*
 - B. *Objective / Timeframe*
 - C. *Objective / Timeframe*
2. The board will produce realistic governing policies that at the broadest levels, address each category of organizational decision.
SPECIFIC OBJECTIVES FOR THE BOARD YEAR ENDING MARCH, 2010:
(List here any specific policies still to be specifically reviewed, such as")
 - A. *(any particular Ends policies) /Timeframe*
 - B. Code of Conduct - Conflict of Interest policy (4.5)/Timeframe
3. The board will produce assurance of President/CEO performance (against policies in 2A and 2B - Ends/Executive Limitations).
SPECIFIC OBJECTIVES FOR THE BOARD YEAR ENDING MARCH, 2010:
 - A. List any here, or you might state" No additional objectives beyond rigorous performance evaluation as outlined in policy 3.4."
4. The board will work to affect legislation deemed desirable and consistent with the RACVB's "Ends."
SPECIFIC OBJECTIVES FOR THE BOARD YEAR ENDING MARCH, 2010:
 - A. *Objective / Timeframe*
 - B. *Objective / Timeframe*
5. To promote communication and understanding regarding the Bureau's activities, the board will meet with the designated representatives of the city and county to identify any additional information they may require.
SPECIFIC OBJECTIVES FOR THE BOARD YEAR ENDING MARCH, 2010:
 - A. *Objective / Timeframe*
 - B. *Objective / Timeframe*