

**Wyoming Early Childhood Association**  
**I. BOARD OF DIRECTORS POLICIES**

**A. Board Member Responsibilities:**

- Corporate survival
- Financial viability
- Program success
- Fiduciary Responsibility

Fiduciary: to stand in a special relations of legal trust to others; answerable to the members and government agencies that regulate and monitor nonprofit corporations.

**B. Principles of Nonprofit Corporation Law:**

A fundamental principle of corporate law holds that “management is in the board of directors” meaning that even if a nonprofit organization has paid staff, the ultimate responsibility for meeting legal requirements rests with the board. Board members must meet certain standards of conduct in carrying out their duties to the organization.

**(1) Duty of Care:**

The level of competence expected of board members. Board members should use the same care that “an ordinarily prudent person would exercise in a like position and under similar circumstances.”

- Attend board meetings regularly
- Show independent judgment when voting
- Be informed about organizational activities
- Rely on trustworthy sources of information
- Delegate only to responsible individuals
- Follow up regularly

**(2) Duty of Loyalty:**

A standard of faithfulness to the organization. Board members must give undivided allegiance to the organization when making decisions affecting the organization. In other words, board members cannot put personal interests above the interests of the organization.

- (3) **Duty of Obedience:** ensure that the organization remains obedient to its central purposes.
- Articles of Incorporation
  - Mission Statement

### C. Legal Aspects:

Legal ground rules for board members:

- (1) Articles of Incorporation
- (2) Bylaws

### D. Incorporation:

*What does Incorporation Mean?*

**Corporation:** a legal entity with rights, privileges, and liabilities separate from those of the individuals who invest money in it, compose its membership, and run it. Corporations are formed under the provisions of state law.

*Why incorporate?*

(1) **Limited liability:** the individuals who control the corporation are not responsible for the legal and financial obligations of the organization.

To ensure limited liability, the board of directors should:

- a. Make it clear when they are conducting the agency's business, and they are doing so on behalf of the corporation;
- b. Make sure that the organization's funds are kept separate from the funds of individuals;
- c. Hold regular board meetings to review and conduct corporate business;
- d. Follow all corporate formalities; and
- e. Make a reasonable effort to secure sufficient funds for the corporation to meet its obligations.

(2) **Continuity:** A corporation will continue to exist "in perpetuity" until legal dissolution. Its legal existence is not dependent on the continued participation of individual members or directors.

(3) **Uniform set of rules:** The corporation is governed by a uniform, though flexible, set of rules under state law. Those involved in or with corporations know how they should operate and what should be expected of them.

(4) **Tax exemption:** Incorporation facilitates application for tax-exempt status under federal and state income tax laws. It is important to understand that there is a difference between being “nonprofit” and being “tax exempt”.

*How Does an Organization Incorporate?*

1. Draft articles of incorporation
2. File it with the Secretary of State
3. Certificate of incorporation or charter will be issued
4. Corporation legally begins existence
5. State may require annual registration to remain active
6. First meeting of the board of directors to adopt bylaws

*What is included in articles of incorporation?*

- Name of the corporation
- Purpose of the corporation (IRS)
- A statement that the corporation does not afford “pecuniary gain”, or profit, to its members or others
- The period of duration of corporate existence, which may be perpetual
- The location of the organization’s registered office
- Name and address of each incorporator
- Number of directors constituting the initial board of directors, the name and address of each director, and the tenure of office of the first directors
- The extent of personal liability, if any, of members for corporate obligations and the methods of enforcement and collection (there will be none, except in unusual circumstances)
- Whether the corporation has capital stock (most nonprofit corporations do not have capital stock)
- Provisions for the distribution of corporate assets and for dissolution
- Whether or not there will be a membership separate from the board of directors

**E. Wyoming Early Childhood Association Incorporated:**

The Wyoming Early Childhood Association is incorporated in the state of Wyoming. WECA has also been determined to be a 501(c)3 organization by the US Internal Revenue Service.

## **Wyoming Early Childhood Association** **II. GOVERNING BOARD POLICIES**

### **A. Governance Style:**

The board will govern with an emphasis on:

- outward vision rather than an internal preoccupation
- strategic leadership more than administrative detail
- clear distinction of board and staff roles
- collective rather than individual decisions
- future rather than past or present
- pro-activity rather than reactivity

The board will:

- Deliberate in many voices, but govern in one
- Cultivate a sense of group responsibility
- Direct, control, and inspire the organization through the careful establishment of board written policies reflecting the boards' values and perspectives
- Enforce upon it whatever discipline is needed to govern with excellence - in matters such as attendance, preparation for meetings, policy making principles, respect of roles, and ensuring the continuity of governance capability
- Allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling its commitment
- Monitor and discuss the boards process and performance at each meeting

### **B. Board Meetings:**

Board meetings are for the single task of getting the Board's job done. Meetings will be open to the membership/public except when the president officially announces executive session when the subject relates to litigation, personnel, or contemplated real estate transactions.

The Board is the sole authority over its own agenda. Any board member - with a majority agreeing - can add or delete business from the agenda. Material related to the agenda will be given to board members with adequate lead-time for preparation. Board members are obligated to prepare for meetings and to participate productively in discussion.

From time to time it may be necessary to meet as a Board by conference call, or other virtual meeting method, or by e-mail voting. (See the **P. E-Mail Policy:** in this section of the policy manual for details about e-mail voting.) All action taken through conference call or other virtual meetings or by e-mail voting must be ratified at the next regular meeting of the Board and become part of the official minutes.

### **C. Officers:**

Officers of the Board are in the service of the Board. As such they are bound by Board wishes and by limits of Board authority. The officers may meet as a group with the WECA staff for purposes of preparing the agenda and other pre-Board work, but they may not act in place of the board, except as it specifically delegates.

### **D. Board Member Code of Conduct:**

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.

Members must avoid conflict of interest with respect to their fiduciary responsibility. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself/himself without comment from not only the vote but also from the deliberation.

Board members must not use their position to obtain employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign.

Members will annually disclose their involvement with other organizations, with vendors, or any other associations that might produce a conflict.

Members will respect the confidentiality of all other board members.

### **E. Media:**

To ensure the quality and consistency of agency information disseminated to media sources, the following policy shall be enforced:

- All media contacts are to be handled by the President or his/her designee, regardless of who the media representative is or whom he/she represents or how innocuous the request.
- All press releases or other promotional materials are to be approved by the President or his/her designee prior to dissemination. Failure to comply with WECA's media policy shall be grounds for disciplinary action.

## **F. Nepotism:**

Board members and their immediate family members (as defined below) will be excluded from consideration for employment and/or contracted services by the organization.

Employees shall not hold a position with the organization while they or members of their immediate family (as defined below) serve on the board of directors or any committee of the board.

Employees may not hold a job over which a member of their immediate family exercises supervisory authority. In this section and sections 1 and 2 above, immediate family includes the following: husband, wife, son, son-in-law, daughter, daughter-in-law, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, grandparents, and grandchildren.

## **G. Ethics:**

We, as Wyoming Early Childhood Association professionals (staff and board members), dedicate ourselves to carrying out the mission of this organization. We will:

- (1) Recognize that the chief function of the Wyoming Early Childhood Association at all times is to serve the best interests of our membership;
- (2) Accept as a personal duty the responsibility to keep up to date on emerging issues and to conduct ourselves with professional competence, fairness, impartiality, efficiency, and effectiveness;
- (3) Respect the structure and responsibilities of the board of directors, provide them with facts and advice as a basis for their making policy decisions, and uphold and implement policies adopted by the board of directors;
- (4) Inform the community about pertinent early care and education issues;

- (5) Conduct our organizational and operational duties with positive leadership exemplified by open communication, creativity, dedication, and compassion;
- (6) Exercise whatever discretionary authority we have under the law to carry out the mission of the organization;
- (7) Serve with respect, concern, courtesy, and responsiveness in carrying out the organization's mission;
- (8) Demonstrate the highest standards of personal integrity, truthfulness, honesty, and fortitude in all our activities in order to inspire confidence and trust in our activities;
- (9) Avoid any interest or activity that is in conflict with the conduct of our official duties;
- (10) Respect and protect privileged information to which we have access in the course of our official duties;
- (11) Strive for personal professional excellence and encourage the professional developments of others.

#### **H. Confidentiality:**

It is the policy of WECA that board members and employees/contractors of WECA may not disclose, divulge, or make accessible confidential information belonging to or obtained through their affiliation with WECA to any person, including relatives, friends, and business and professional associates, other than to persons who have a legitimate need for such information and to whom WECA has authorized disclosure. Board members and employees/contractors shall use confidential information solely for the purpose of performing services as a trustee or employee/contractor for WECA. This policy is not intended to prevent disclosure where disclosure is required by law.

Board members and employees/contractors must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, and airplanes, should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, board members and employees/contractors should be sensitive to the risk of inadvertent disclosure and should, for example, refrain from leaving confidential information on desks or otherwise in plain view and refrain from the use of speaker phones to discuss confidential information if the conversation could be heard by unauthorized persons.

At the end of a trustee's term in office or upon the termination of an employee's employment or termination of contract, he or she shall return, at the request of WECA, all documents, papers, and other materials regardless of medium, which may contain or be derived from confidential information, in his or her possession.

### **I. Conflict of Interest:**

Employees/contractors and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which WECA wishes its organization to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation.

An actual or potential conflict of interest occurs when an employee/contractor or board member is in a position to influence a decision that may result in a personal gain for the employee/contractor, board member, or for a relative of either as a result of WECA's business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee/contractor or board member is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of relationships with outside firms. However, if an employee/contractor or board member has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she disclose to the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee/contractor, board member, or relative has a significant ownership in a firm with which WECA does business, but also when an employee/contractor, board member, or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction of business dealings involving WECA.

The materials, products, designs, plans, ideas, and data of WECA are the property of WECA, and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee/contractor or board member has personally gained



by such action, constitutes unacceptable conduct. Any employee/contractor or board member who participates in such a practice shall be subject to disciplinary action, up to and including discharge.

## **J. Sexual Harassment Policy:**

WECA prohibits any employee/contractor, board member, volunteer, or vendor from making sexual advances of a verbal or physical nature toward another employee, board member, volunteer, or applicant for employment. All employees/contractors, board members, volunteers, or vendors must be allowed to work in an environment free from unsolicited and unwelcome sexual overtures. Sexual harassment is defined as behavior that is unwelcome and personally offensive. It reduces morale, interferes with work productivity, impugns individual dignity, and is contrary to WECA's mission.

Some examples of sexual harassment are:

- Unwelcome or unwanted sexual advances. This includes patting, pinching, brushing up against, hugging, cornering, kissing, fondling, or any other similar physical contact considered unacceptable by another individual.
- Requests or demands for sexual favors. This includes subtle or blatant expectations, pressures, or requests for any type of sexual favor accompanied by an implied or stated promise of preferential treatment or negative consequences concerning one's employment.
- Verbal abuse or kidding that is sexually oriented and considered unacceptable by another individual, including comments about an individual's body or appearance (where such comments go beyond a mere compliment); off-color jokes that are clearly unwanted; or other tasteless sex-oriented comments, innuendoes, or offensive language.
- Any sexually oriented conduct that would unreasonably interfere with another's work performance. This includes extending unwanted sexual attention to someone, which reduces personal productivity.
- Participation in fostering a work environment that is generally intimidating, hostile, or offensive because of unwelcome or unwanted sexually orientated conversation, suggestions, requests, demands, physical contacts, or attention.

Sexual harassment is a practice that demeans the individual being treated in such a manner. Consequently, WECA will not tolerate sexual harassment of its applicants, employees/contractors, board members, or volunteers by anyone. WECA will, as necessary, take disciplinary action, up to and including

termination, in accordance with this policy to ensure that we meet our responsibilities to our employees/contractors, our board members, our vendors and our volunteers.

#### **K. Relationship with Chief Executive and/or Administrative Assistant:**

The board of directors, at its discretion, may appoint a chief executive and/or administrative assistant as staff, or as contracted positions. If appointed, they shall be an ex-officio, nonvoting members of the board of directors. The chief executive and/or administrative assistant shall be responsible for the day-to-day administration of WECA's affairs and shall manage/direct all activities of the organization as prescribed by the board of directors. Job descriptions/contracts describing the duties will be developed for the chief executive and/or administrative assistant.

The chief executive and/or administrative assistant shall not cause or allow any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.

With respect to the treatment of paid and volunteer staff, the chief executive and/or administrative assistant may not cause or allow conditions that are unfair or undignified. Accordingly, he/she shall not (1) operate without written personnel policies that clarify personnel rules for staff, and provide for effective handling of grievances and protect against wrongful conditions such as nepotism, and grossly preferential treatment for personal reasons; and (2) discriminate against any staff member.

#### **L. Board Fund-Raising:**

Board members are expected to be involved in fund-raising activities of WECA by using their personal and business connections when appropriate, by soliciting funds when appropriate, by serving on fund-raising committees, and attending fund-raising events.

#### **M. Indemnification:**

Each board member elected or appointed according to the bylaws, each officer of WECA, and other employees determined by the board of directors to be so entitled shall be entitled as of right to indemnification by WECA against all expenses (including attorney's fees), judgments, claims and amounts paid in

settlement arising from any claim, or proceeding relating to his or her status as a board member, committee member, officer, or employee of WECA to the fullest extent now or hereafter permitted by the Articles of Incorporation of WECA, the laws of the state, and these bylaws.

#### **N. Compensation:**

Board members shall serve without compensation. Board members shall be allowed reasonable reimbursement of expenses incurred in the performance of their duties, including attendance at board authorized meetings and conferences.

#### **O. Board Attendance Policy:**

This policy is intended to support full contribution of all board members.

Definition of Board Attendance Problem: A board attendance problem occurs if any of the following conditions exist in regard to a board member's attendance at board meetings:

- (1) The member has two un-notified absences in a row ("un-notified" means the board member did not call ahead to a reasonable contact in the organization before the upcoming meeting to indicate they would be absent from the upcoming meeting).
- (2) The member has three notified absences in a row.
- (3) The member misses one third of the total number of board meetings in a twelve-month period (or two meetings in a twelve month period when 5 or fewer meetings are scheduled in the twelve month period).

Response to a Board Attendance Problem: If a board attendance problem exists regarding a board member, the Board President will promptly contact the board member to discuss the problem. The President will promptly share the member's response with the entire board at the next board meeting. In that meeting the board will decide what actions to take regarding the board member's future membership on the board. If the board decides to terminate the board member's membership, termination will be conducted per this policy (or the process may be specified in the by-laws). The board will promptly initiate a process to begin recruiting a new board member.

Steps to Termination:

- (1) President notifies board member of the board attendance problem and the board's decision to terminate the member's membership per the terms of the by-laws (or policy).

- (2) The President requests a letter of resignation from the member to be received within the next two weeks.
- (3) The Board will vote regarding acceptance of the member's resignation letter at the next board meeting.

## **P. E-Mail Policy:**

### 1. General

As many of our members have access to email, it has become a significant means of communicating within the Board of Directors. Meeting agendas, motions, and other information is frequently distributed via an electronic distribution list of all current board members.

Some board members may not have access to email, or cannot receive attachments. In such cases, the Board member should work with the Secretary to develop a mutually agreeable method of communication. This could be via US mail, fax, phone, or another board member with email who could relay information to/from the board member.

### 2. Voting

The bylaws permit voting by email. This procedure provides a method for distributing motions, discussions, and votes via email. This procedure is not intended to replace a regular meeting of the Board of Directors and should be used in rare situations.

Procedures for issues requiring Board of Directors decisions or actions that could not be completed at scheduled meetings, or which the President feels would require resolution before the next scheduled board meeting, follow:

- (1) Any Board of Directors member who has voting rights may make a motion.
- (2) The person initiating the motion must prepare the motion and discussion and have a previously arranged "seconder", who will be cited in the e-mail. The initiator sends the motion and discussion to the President, who will distribute the motion. The e-mail calling for the vote shall have "Call for Vote: *Subject* (of item voting on)" in the subject line. The President will request the Board members to immediately send a reply to her/him indicating they have received the motion.
- (3) Depending upon the time frame required for a decision, the President will define how much time is permitted for discussion (usually one week), the

date when voting will begin, and the date when voting will be completed. One week should normally be provided for voting. All comments and responses to the motion should be sent via "reply all" to the distribution list. The actual vote on the motion should be sent directly to the Secretary, with a cc to the President.

- (4) E-mail voting will have three choices: Yes, No, Abstain (due to conflict of interest), and Hold (until an in-person vote can be arranged). If more than 50% vote yes, the motion carries. If at least 50% vote No the motion is defeated. If at least 50% vote No, Abstain, or Hold the motion shall be tabled until the next Governing Board meeting. All board members shall respond with the vote by replacing the subject line with "(your name)'s vote: *Subject* (of item voting on)".
- (5) Votes are to be sent to the Secretary, who will tally them, send out reminders as necessary, and announce the passage/failure of the motion. The Secretary will send confirmation back to each voter of receipt of his or her vote. The Secretary will record the vote in the minutes and retain the votes in paper form. Board members without e-mail will fax or phone their votes to the Secretary.

#### **Q. Board Professional Development Opportunities:**

Members of the governing board may attend the NAEYC annual, leadership, professional development, Western States Leadership Network, or other board approved activities, as the budget permits. See **III. Financial Policies, C. Expense Reimbursement** for details about the reimbursement of travel expenses for these professional development activities. You must be a member of the governing board for at least one year to be eligible. When more governing board members desire to attend than funds permit, the president and president elect/past president will determine who may attend based on who has previously attended, time invested in WECA activities, and the amount of time served on the board.

#### **R. Regional Representatives:**

Eight (8) Regional Representatives (called area representatives in the by-laws) are appointed to the governing board by the president with the approval of the governing board. The appointments are for **three** year terms. Although these are not elected positions, term limits apply. Regional representatives may serve on the Governing Board up to two consecutive terms. After two consecutive terms, there must be at least a one-year hiatus from the regional representative position before applying for the same regional representative position.

A co-regional representative will be appointed at the end of the second year of the regional representatives term, to serve with the regional representative for one year and then to be the Region Representative for the two following years. Regional Representatives serving their first appointed term, may ask in writing, to be appointed to the office of “co-regional representative” to allow for a second term in the appointed position.

The appointed Regional Representative will furnish names of interested candidates in their region to the President prior to the annual Fall Conference to give ample opportunity for the appointment process to proceed prior to the Orientation Meeting each January.



**Wyoming Early Childhood Association**  
**III. FINANCIAL POLICIES**

**A. Check-Signing Authority and Withdrawal of Funds:**

1. Accounts: WYOMING EARLY CHILDHOOD ASSOCIATION (WECA) shall maintain its accounts in financial institutions that are federally insured. All funds received by WECA shall be deposited at a minimum of twice weekly. All nonproductive funds shall be invested in accordance with the investment policy established by the board of directors.
2. Authority to Sign: All checks or other orders of withdrawal shall bear the signature of one of the following officers or staff members: Board President; Treasurer; President Elect. In addition, any checks issued over \$1,000 shall require two signatures; and any checks payable to any one of the above-named persons, shall be signed by someone other than the payee.
3. Bonding: Each officer or designated signatory with authority to withdraw funds shall be bonded. The cost associated to secure the aforementioned coverage shall be that of WECA. The amount of insurance coverage will be reviewed annually by the finance committee.

**B. Cash Disbursements:**

1. Disbursements: Disbursements will be made only upon review and approval by an authorized check signer. This will include review for the existence of proper supporting documentation such as a purchase order and evidence of the receipts of the goods and services.
2. Routine Authorization: Disbursements shall be authorized by the treasurer, president or president elect, acting within the guidelines of the approved budget and the organization's fiscal management procedures. Analysis of current financial data is utilized in making final expenditure authorizations.
3. Co-Authorization: Excepting certain routine and regularly occurring transactions as described here, co-authorization by the president/president elect and the treasurer is required for all disbursements and contracts exceeding \$1,000. It is required that contracts be reviewed and approved by the governing board. Due to their routine nature, the treasurer acting alone



may authorize contracts and disbursements of any amount related to routine staff payroll, taxes, and insurance.

4. Unbudgeted or Over-Budget Expenses: In cases where the treasurer or president, or president elect, identifies a need to expend either unbudgeted funds or funds that would exceed the expense line item and when such action would not contribute to a deficit, the requirement for an official budget amendment is determined by two factors: (1) over-budget expenses that generate income do not require a budget amendment; and (2) unbudgeted or over-budget expenses that do not generate income only require a budget amendment when the increase exceeds 15% of the budgeted line item or annual program budget.

### **C. Expense Reimbursement:**

WECA's board reimbursement policy shall be reviewed annually by the finance committee with any recommendations for change coming to the governing board for a vote.

The organization's travel mileage reimbursement shall be .25 cents per mile. WECA will reimburse lodging expense up to \$55 per night and with receipts attached.

The organization will reimburse members traveling on official organization business the cost of round-trip coach class travel, actual housing cost and conference registration fees. Meals, unless included in registration fees, are not reimbursed.

Meeting reimbursement will include:

When approved as a part of the annual budget, WECA reimburses members of the board for costs to attend regular board meetings not held at the WECA annual conference. The following policies and procedures apply for the reimbursement of travel.

(1) Travel: Members of the governing board may be reimbursed for actual travel up to, but not to exceed, the maximum amount of .25 cents per mile. The State Mileage guide will be used for calculating distance. Persons traveling from the same area are encouraged to travel together by auto with reimbursement paid only to the person driving. Board members may choose to use air travel. The reimbursement rate for air travel will be the

lesser of the actual airfare or the mileage reimbursement amount as if they traveled by automobile.

- (2) All reimbursement requests must be submitted on the approved Reimbursement Voucher form. The request must be submitted to the treasurer no later than two weeks following the completion of the travel for which the reimbursement is requested. Any person requesting travel must be present at the scheduled beginning and end of the meeting for which travel reimbursement is requested, unless approved by the President.

#### **D. Borrowing Policy:**

From time to time it may be necessary for WECA to borrow funds from outside sources to fund operations and expansion. This may be necessary because of the seasonality of income from membership, conference registration, or other sales and due to major expansions or revisions to WECA programs.

Funds are to be borrowed only as required to meet these needs, and borrowing is to be consistent with sound fiscal and management practices. Borrowings are not intended to make up for inadequate planning or spending above budgeted levels.

Borrowing funds should be done within the following guidelines:

- (1) Borrowing should be within appropriate limits approved by the board prior to the time of borrowing.
- (2) Amounts should be borrowed at the lowest available interest rates and from financial institutions that are federally insured.
- (3) Most borrowing will be done at short-term conditions due to the seasonal nature of income. Long-term borrowing will be done only if rates are favorable and amounts for short-term would be at the same minimum level.

#### **E. Approval of Capital Expenditures:**

**Definition:** A capital acquisition is an individual asset and/or class of assets that has a useful life of more than one year and a cost of \$1,000 or more.

**Budget:** Anticipated capital acquisitions shall be included in the normal budgetary process as part of the separate capital acquisitions budget. The budget shall include purchase requests for all new and replacement acquisitions.

**Expenditures:** When appropriate, a minimum of three bids will be obtained for each purchase of \$2,000 or more.

#### **F. Development or Endowment Fund:**

WECA may establish an unrestricted development or endowment fund to support the general purposes of the organization. The principal is to be invested in a reasonably prudent manner in accordance with the investment policy as prescribed from time to time by the board of directors, and the income (defined as total return income) is to be used to support the organization's general purposes. The board of directors, or its designated committee, shall retain the right to dissolve WECA endowments and use the principal for general purposes or for the restricted purposes contained in each endowment when, in the board's discretion, the purposes of the endowment can no longer be met or the organization's needs may so require.

#### **G. Cash Reserves:**

**Restricted Reserves:** Cash received for specific grant or contract work that is not expended in a particular fiscal year is deferred to the future fiscal year and is captured in a grant/contract cash reserve for the explicit use to accomplish work required in the grant/contract agreement.

**Unrestricted Cash Reserve:** WECA moves unexpended cash at the end of the fiscal year into an unrestricted cash reserve to have funds in savings to cover essential operating expenses in the event that projected income is not realized. Use of cash in this reserve requires board approval and will be used to pay expenses for services rendered and for activities essential to continued operation and stimulation of future income.

Any operating surplus at the end of a fiscal year shall be transferred to the unrestricted cash reserve. A minimum goal for balance in the unrestricted cash reserve is 33% of the immediate past year's operating expenses.

#### **H. Investment Policy:**

**Purpose:** The board of directors shall invest WECA's funds in such a way as to maximize return while protecting principal, following the guidelines listed below.

- (1) Investment activity should be reviewed by the finance committee on a regular basis.
- (2) Investment of WECA funds should not exceed \$100,000 in any one institution for federal insurance purposes.

- (3) Accounts such as interest-bearing checking accounts, money market accounts, certificates of deposit, investment-grade commercial paper, and government securities are to be the primary investments. Investing in any other type of investment vehicle requires prior approval of the board of directors.
- (4) Investments should be limited in term. Any investments with a term longer than three years must be approved by the finance committee. Funds are deposited with staggered expiration dates to achieve cash availability required for uneven cash flow needs.
- (5) A current list of financial institutions approved, as depositories for investment will be kept on file and updated regularly by the finance committee. This list includes commercial banks, savings and loans, and brokerage houses insured by the Securities Protection Investment Corporation.
- (6) Within guidelines, maximum interest rates shall be sought, with the maturity of the investments governed by expected cash needs.
- (7) All securities are to be written in the name of the Wyoming Early Childhood Association.

## **I. Acceptance of Grants, Gifts, and Bequests:**

WECA actively solicits gifts, grants, and scholarship funds to further the mission of the organization. There is a potential that the acceptance of certain gifts could compromise the ability of the organization to accomplish its goals, or could jeopardize its tax-exempt status. Hence, the following gift acceptance policy applies:

- (1) The board of directors has the authority to solicit and/or accept gifts on behalf of WECA.
- (2) The development committee consists of the vice president of programs of WECA, Administrative Assistant of WECA, and one additional member of the governing board of WECA.
- (3) WECA's responsibility is to productively pursue gifts that will further the organization's mission, goals, and objectives. The primary consideration in the pursuit of gifts is how they can benefit the organization in the most ethical and unencumbered manner. To that end, the following caveats must be considered:
  - a. **CORE VALUES:** Is the gift one that is consistent with the organization's standards, principles, and core values?

- b. **COMPATIBILITY OF CAUSE:** Will the gift unnecessarily challenge the organization's ability to further its mission, goals, or objectives?
- c. **PUBLIC RELATIONS:** Does the acceptance of the gift present the organization in an unfavorable light? Does it appear that there may exist a conflict of interest between the donor and the organization?
- d. **MOTIVATION:** Is there clear charitable intent and a commitment of the organization?
- e. **CONSISTENCY:** Will the acceptance of the gift be compatible and in agreement with other fund-raising activities or gifts of the organization?
- f. **CREDIBILITY:** Are the circumstances surrounding the donor and the gift believable?
- g. **ORGANIZATIONAL STABILITY:** If controversy develops, will it be significant enough to weaken the structure of the organization?
- h. **FORM OF GIFT:** Will the nature of the in-kind contribution create problems, such as in advertising or sponsorship?
- i. **SOURCE OF GIFT:** Who is the donor? Is the gift from an individual or corporation? Does the donor represent a perceived conflict of interest, or might the donor's objectives not fit with the mission of the organization?
- j. **BOTTOM LINE:** Gifts can encourage others to give or do the opposite. What effect will this particular gift have on the organization's bottom line?

## **J. Risk Management Policy:**

WECA organization is committed to protecting its human, financial, and goodwill assets and resources through the practice of effective risk management. WECA's board and management are dedicated to safeguarding the safety and dignity of its paid and volunteer staff, its members, and anyone who has contact with the organization. To this end, the board will ensure that the organization has a risk management plan for the organization that is reviewed and updated on an annual basis.

With respect to operating the association in a sound and prudent fiscal manner, staff or board members may not jeopardize the long-term financial strength of the association. Therefore, the board and staff will operate under these guidelines:

- (1) Assets shall not be unprotected, inadequately or unnecessarily risked. All assets will be insured against theft and casualty losses with at least 80% replacement value and against liability losses to Board members, staff

members, or the organization itself. Office equipment and furniture are inventoried with supporting documents.

- (2) Staff will not make any purchases or commit the organization to any expenditure of greater than \$1,000.
- (3) Staff or board will not make any purchase wherein normally prudent protection has not been given against conflict of interest.
- (4) Purchases will not be made for amounts over \$500 without having obtained comparative prices and quality.
- (5) Staff or board will not receive, process, or disburse funds under controls, which are insufficient to meet auditor standards.
- (6) Staff or board will not invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
- (7) Staff or board will not expend more funds than have been received in the fiscal year to date, unless planned for in the budgeting process.
- (8) Staff or board will not incur debt beyond normal accounts payable in amounts that cannot be repaid within 60 days.
- (9) Staff or board will not fail to settle payroll and debts in a timely manner.
- (10) Staff /board will not allow tax payments or other government ordered payments or filings to be over due or inaccurately filed.
- (11) All intellectual property, information and files are protected from loss or significant damage. A safe, secure place is maintained to store copies of bylaws, policies and procedures, legal papers, and other vital documents.
- (12) Staff/board will not engage in activities that endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

### **K. Budget Policy:**

Financial planning for any fiscal year shall not deviate materially from the board's priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

The board shall not approve a budget that:

- (1) 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.
- (2) Includes expenditure of more funds than are conservatively projected to be received, unless the board of directors specifically plans to reduce cash reserves as part of the budget process.

- (3) Allows the cash reserves to drop below \$10,000.
- (4) Does not have a relationship between income and expenses that is in line with the governing board's priorities for any of the following: (a) spending reserves to expand programs, (b) balancing the budget, or (c) building reserves with surplus.

#### **L. Budget Process:**

1. Timing: At least two, preferably three, months before the beginning of the fiscal year the budget process will begin.

2. Involvement: Staff and board members will participate in each phase of the budget process that affects the line items for which they will later be responsible. Both staff and board will work to develop a budget, which truly reflects organizational priorities and acts as a guide for spending and decision making. The Treasurer will provide oversight of the budget development.

3. Steps to be followed:

- (1) Review the program and management achievements and fiscal performance over the year just ending. This includes, but is not limited to, reviewing objectives achieved, comparing budget to actual figures, and looking at the number of members served.
- (2) Based on this review, new goals and objectives should be discussed and agreed upon in a preliminary way. These goals and objectives should fit into the strategic plan.
- (3) Estimate the costs required to achieve the objectives, including staff, supplies, and other resources.
- (4) Budget for income as well as expenses. Note: Contributed revenue should be projected using the best information available. It cannot be the number derived from the gap between projected revenues and projected expenses.
- (5) Compare revenue and expense projections. At different times the organization may choose to incur a deficit, realize a surplus or simply break even. In any given budget period, revenue and expenses should be in the relationship that the board of directors chooses, rather than mechanically balanced.
- (6) If a preliminary budget has been prepared and the revenue and expenses are not in the desired relationship for the board of directors, programs and activities must be reevaluated and adjustments made.

- (7) Once the budget has been updated to have the revenues and expenses in the proper relationship, the full Governing Board must approve the plan for the year and the budget.
- (8) Once the Governing Board approves the budget, staff and volunteers begin to put the plan into action and prepare monthly reports for the governing board comparing actual income and expenses to the budget.

### **M. Financial Reporting/Record keeping:**

Under the direction of the treasurer, a proper set of accounting records shall be maintained according to generally accepted accounting practice.

Financial reports will be provided to the board of directors on a regular basis to provide information to support its decision making. The following financial reporting process will be followed:

Each board meeting (at least quarterly):

- (1) The finance committee will meet prior to each scheduled board meeting. During this meeting the finance committee will review the following:
  - a. Statement of Position (Balance sheet) to review the financial health of the organization and the amount of cash available to pay expenses.
  - b. Budget review to determine budget to actual information to date by line item.
  - c. Status reports on revenues received such as membership fees, conference registration, etc.
  - d. Cash flow projections for the next six months
  - e. Payroll tax reports, if applicable
- (2) At each scheduled board meeting the full board will be given a financial report that outlines the following:
  - a. Balance to date in each of the organization's accounts
  - b. Budget vs. Actual revenue and expense report
  - c. Special issues of concern requiring action

Annually:

- (1) The finance committee will review the following documents annually:
  - a. Annual federal forms, including 990 and Schedule A
  - b. State reports as applicable
  - c. Year End financial statements



- d. Audit/external review results (An external review of the financials is required annually, and is to be conducted by an accounting firm approved by the board.)
- (2) Annually, the full board of directors will be given a copy of the year- end financial statements and a narrative status report of governmental reports filed and audit/external review results and recommendations.

## **N. Income:**

**Dues:** The governing board shall determine membership dues. Any member who fails to remit his or her dues within 3 months of the membership expiration date shall no longer be considered an active member.

Membership dues shall be set by the governing board based on current cost and study of the value of membership services provided. Dues shall be set at a rate that allows the organization to operate as a viable, inclusive organization.

The finance committee reviews membership dues each year. Recommended revisions are brought to the governing board for action. The amount of dues must be reported to NAEYC between April 15- June 1, annually.

**Service fees:** Rates for services shall be set by the Finance Committee based on current costs and study of rates used by other associations for comparable services.

In the process of setting rates for services and products, consideration is given to high-quality products, rates that are reasonable for target clients, and the provision of incentives to pay dues by giving reduced rates to members.

The primary purpose of WECA's activities is to provide high-quality services and products directed toward the mission of the organization at a cost that is reasonable for a majority of participants in the early childhood field. A secondary purpose of some organization-sponsored activities (conferences, exhibits) is to generate income for services that don't have the capacity to generate revenue (public awareness, public policy).

## **O. Bookkeeping:**

The following procedures will be followed to maintain accurate records of the organization's finances:

- (1) A computerized accounting system will be maintained to track all receipts and expenditures of the organization.
- (2) Receipts will be kept of every payment to and every expenditure from the organization.
- (3) Income and expenditure records will be entered on a monthly basis into the computerized accounting system.
- (4) Financial reports will be prepared on a monthly basis, which compares income vs. expenses, budget vs. actual expenses, etc. Copies of the monthly financial reports will be sent to the finance committee on a monthly basis for review.
- (5) The organization's bank account will be reconciled on a monthly basis by a person other than the person authorizing disbursements.
- (6) Accounting records will be kept on an accrual basis. Fund accounting is used to track each major grant or contract by funding source.
- (7) The fiscal year will be July 1 – June 30.

**Wyoming Early Childhood Association**  
**IV. INTERNAL ACCOUNTING PROCEDURES**

**A. Receipts Collected:**

- (1) Pre-numbered master receipts, prepared in duplicate, must be completed as the cash or checks are received. One copy is given to the payer and one copy is retained for the organization's records.
- (2) Never erase or alter a receipt. If an error is made, mark the receipt "Void", retain all copies, and write a new receipt.
- (3) Checks should be endorsed immediately upon receipt, with an endorsement stamp with the wording "For Deposit Only".

**B. Disbursements:**

- (1) Policies regarding expenditures apply regardless of whether payment is made by check or petty cash fund (Note that WECA currently does not have a petty cash fund, but may choose to establish one in the future).
- (2) Evidence supporting all expenditures must be kept on file.
- (3) Properly approved invoices or receipts are required. Canceled checks do not meet this requirement. Credit Card statements without itemized detail **do not** meet this requirement.
- (4) Reimbursements may be made for purchases only upon presentation of the invoice or receipt.
- (5) Cash paid out is limited. (An example where it is appropriate would be for change in the cash box when items are to be sold, i.e. WECA conference.)
- (6) Pre-numbered checks will be used. All voided checks are to be preserved and filed after appropriate mutilation.
- (7) Within the limitations of the organization's size and structure, persons (staff or board) who produce and process checks have limited access to other accounting records.
- (8) Invoices and check requests are approved by those authorized in the Cash Disbursements section of the Financial Policies.
- (9) The treasurer, president or president elect authorizes payroll.
- (10) Invoices/check requests must accompany checks to be signed.
- (11) Pre-signing of checks is prohibited.
- (12) The person responsible for writing the checks is not authorized to sign them as sole signatory.
- (13) All credit card charges must be accompanied by receipt and attached to the credit card bill.

(14) Automatic Teller Machine (ATM) access to WECA accounts is not authorized.

(15) Cash disbursement vouchers will be prepared for each invoice or request for reimbursement. The voucher will detail the date of check, check number, payee, amount of check, description of expense account to be charged, authorization signature, and accompanying receipts.

(16) All signed checks must be mailed promptly.

(17) All invoices should be marked Paid with the date and amount of the check.

(18) Unpaid invoices are maintained in an unpaid invoice file.

(19) A list of unpaid invoices is regularly prepared and periodically reviewed by the Finance committee.

### **C. Bank Deposits:**

(1) Deposits should be prepared weekly to include all receipts on hand. Deposit slips should be prepared in duplicate. One copy is retained by the organization and one copy is sent with the bank deposit.

(2) Care should be taken that large sums of money are not kept on hand.

(3) A special trip to the bank may be necessary when cash is received and when large collections are received (in excess of \$500).

(4) If a check, which has been deposited, is returned by the bank, immediately collect cash or a cashier's check from the maker. The collection shall include any service charges imposed.

(5) Bank statements and canceled checks are received and reconciled by a person independent of the person authorizing and signing checks. (Note – this would be the administrative assistant as the treasurer is one of the approved authorizers and signers.)

### **D. Petty Cash:**

(1) A petty cash fund may be established for making small cash expenditures. A check will be issued payable to the employee (or board member) responsible to establish the fund.

(2) Evidence supporting all petty cash expenditures must be kept on file, including all invoices and/or receipts.

(3) When the petty cash balance becomes low, the fund should be reimbursed for the amount expended by issuing a check payable to the employee (or board member) responsible for the fund. These expenditures should be debited to the appropriate ledger accounts monthly.

**E. Payroll:** (If applicable)

- (1) Personnel files are maintained on each employee that contain updated salary, benefits, employment status, withholding information, beginning date of employment and termination date, when applicable.
- (2) A personnel manual will be kept current regarding organization policies, vacation, holidays, and sick leave.
- (3) Employment records are kept for each employee up to seven years after the employee has been terminated.
- (4) Time sheets will be completed by each employee to document employee hours (including overtime) and authorize payments to employees. Time sheets must be signed by the employee's immediate supervisor authorizing payment for work.
- (5) Payroll checks will be written in keeping with the procedures for all other cash disbursements.
- (6) Someone other than the payroll check signer will be responsible for holding unclaimed paychecks; reviewing the payroll register and posting payroll to the general ledger; reviewing payroll-related tax withholding, deposits and reporting; distribute year-end tax summaries (W-2s) to employees.
- (7) Payroll-related taxes (federal income tax, state income tax, employee and employer share of social security, and other taxes) are withheld and paid to federal and state agencies on a timely basis.
- (8) The payroll tax return is reviewed by the board Treasurer and President.
- (9) A list of all payroll checks written, with appropriate withheld taxes, is maintained.

**Wyoming Early Childhood Association**  
**V. NOMINATIONS POLICIES**

**A. Nominating Committee Charge:**

The Nominating Committee is charged to work with the Board in the selection of candidates for WECA Governing Board election. Governing Board and Nominating Committee members actively participate in identifying and nurturing qualified potential members to receive information about serving on the WECA Governing Board and an application for their consideration.

The Nominating Committee is required to recommend a slate with a minimum of two candidates for each office or position. The slate should be comprised of candidates who are committed to WECA's mission and value of diversity, and are qualified to make informed and objective decisions regarding Association goals, policies, and allocations of resources.

**B. Nominating Committee Composition and Appointment:**

The composition of the Nominating Committee is at least 1 Governing Board member and at least 2 members representative of the membership.

The President shall appoint the Nominating Committee no later than January 1st. Committee members shall be appointed for a 4-year term(s) on a rotating basis. The chair of the Committee shall be a Board member with previous service on the Nominating Committee.

**C. Criteria for the Appointment of Nominating Committee Members:**

1. Members of the WECA Nominating Committee will:

- a. Understand WECA's mission, priorities, and both current and proposed programs designed to achieve its goals;
- b. Possess a comprehensive understanding about the type of decision-making collaboration, negotiating and leadership skills required of Board members.
- c. Possess knowledge of the history and development of WECA.
- d. Have a broad, perspective of child development and early childhood education;
- e. Be knowledgeable about potential state/local leaders.

2. Attributes required of WECA Nominating Committee members include:

- a. A high level of skill for analytical thinking, communication and negotiation; and
- b. Demonstrated ability to practice confidentiality and objectivity; and
- c. Receptive to the Association's commitment to be a high-performing, inclusive organization.

**D. Criteria to guide selection of candidates:**

The following goals guide the development of a slate of candidates who individually and as a group reflect (in order of priority):

1. All candidates must be current members of WECA.
2. High-quality leadership with commitment and contributions to the early childhood field;
3. Understanding of WECA's mission, philosophy, goals, and code of ethics.
4. Broad knowledge and awareness of issues facing the field and ability to conceptualize the appropriate role for the Association;
5. Strong interpersonal skills with ability to objectively consider various perspectives to guide major policy decisions of the Association;
6. Expertise in special areas needed by the Association, including knowledge of governance and group functioning; association management skills; knowledge of and /or experiences in WECA's affiliate structure;
7. Multiple perspectives of the variety of the professional roles held by WECA's members;
8. The ability to be a public spokesperson on behalf of the Association and its principles; and
9. Time necessary to provide necessary vision and leadership to serve effectively as a Governing Board member.

WECA seeks to be continually informed by the wisdom of diversity and to become a higher performing, inclusive organization. As such, the Association is committed to maintaining a Board composition reflecting diversity in ethnicity, professional experience, gender, age, and geographic area.

Term Limits: Governing Board members may serve up to two consecutive terms. After two consecutive terms, there must be at least a one-year hiatus from the elected position before becoming a candidate for the same position.



**Wyoming Early Childhood Association**  
**VI. NOMINATIONS PROCEDURES**

**A. Deadlines for Receipt of Suggestions for Nomination:**

The deadline for suggestions of potential candidates shall be June 1<sup>st</sup>. This deadline may be extended by the Nominating Committee chair in cases where the committee must seek additional and/or otherwise qualified individuals for consideration.

**B. Solicitation of Potential Candidates:**

Potential candidates shall be solicited in the following ways:

1. Announcements in the newsletter beginning in January of the election year, including selection criteria and responsibilities of the positions to be elected. Members are encouraged to encourage other members who they believe possess the skills and qualities described and who would be qualified to assist with decisions of the kind described to submit an application for consideration by the Nominating Committee. Individuals may also self-nominate themselves.
2. In January of the election year, current and recent Governing board members, and current and recent Nominating Committee members referencing the guidelines for selection of candidates adopted by the Governing Board, and stressing the importance of the nominations process.

**C. Nominating Committee Procedures:**

The Nominating committee will meet twice during the preparation of one slate: Once in the spring before the July newsletter and once in the summer before the annual conference. The agenda for the first meeting will be to receive the nomination guidelines for the coming year's election, to obtain clarification about these guidelines and the nomination procedures established by the Board, and to design the process and timelines their committee will use to arrive at the final slate they present to the Board. The Nominating committee may not present a final slate of candidates for officer positions who have not been personally interviewed.

#### **D. Communication of Annual Nomination guidelines and Procedures:**

The Governing Board will identify annual nomination guidelines to be included in the charge given to the Nominating Committee for the coming year's election. These guidelines will be derived from an annual evaluation of (1) leadership characteristics needed to formulate policy for the directions that have been set for the Association's future; and (2) areas of under-representation in the existing Board composition.

Representatives of the Governing Board will meet with the Nominations committee prior to the time when they begin their deliberations to present the nomination guidelines formulated for the upcoming election and to answer questions to clarify the committee's charge and procedures.

#### **E. Background information from Potential Candidates:**

To be considered in the nomination process, individuals are asked to submit a photograph, statement, current resume, and a maximum of three letters of recommendation. The letters should reflect the individual's professional expertise, leadership in the profession (including affiliate experience), and leadership in the community.

Upon receipt of a suggestion for candidacy, the Nomination Committee chair (or staff) will send to each potential candidate a letter acknowledging receipt of the suggestion and information relative to service on the Board including description of officer and Board member responsibilities.

#### **F. Rating Procedure:**

The Nominating Committee members will make independent ratings of the information submitted by potential candidates based on the guidelines established by the Governing Board. A conference call among all committee members will allow committee members to discuss their ratings, and decide who will be interviewed.

## **G. Selection of Slate**

The committee shall meet in June to conduct interviews and formulate a slate to present for Board approval. The Nominating Committee's proposed slate is mailed to Board members and voted on the next scheduled Governing Board meeting. All candidates will be notified in writing regarding their candidacy prior to the July newsletter.

## **H. Announcement of Slate:**

The official slate will be printed in the July issue of the newsletter.

## **I. Nominating Committee Interim Report to Board**

Each Nominating committee will build into their process and timelines the provision of an interim report to the Board, including any concerns for meeting that year's priorities. This report must be scheduled prior to July to allow time to receive Board assistance prior to the slate being completed.

**Wyoming Early Childhood Association**  
**VII. ELECTION POLICY AND GUIDELINES**

**A. Election policy**

As a membership association governed by an elected board, WECA is committed to a diverse board. Members of the slate are chosen to reflect a broad knowledge and awareness of the issues facing the Association. Nominees are not chosen to represent a particular group, region, or interest, but for their ability to consider objectively the variety of perspectives inherent in decisions affecting the Association's future.

To assure diverse leadership WECA strongly endorses the principle of equity in its election process. Equity must be considered from both the perspectives of the candidates and the member. WECA believes that each candidate should receive equal opportunities to share information about the strengths of her or his candidacy with the membership. WECA also believe each member should have equal access to information regarding an individual's candidacy.

In meeting this commitment, WECA provides a variety of mechanisms for candidates to present relevant information to all members. This mechanism is the newsletter and information included with the ballot. In each mechanism, candidates determine which information they feel is relevant to their candidacy.

The Association encourages candidates and their supporters to fully utilize these official Association-sponsored mechanisms for sharing information about their candidacy. The Association further encourages members to avail themselves of all Association-sponsored information in exercising their voting privileges.

**B. Eligibility for Voting:**

Individuals who are members in good standing on September 1st are eligible to vote in the annual election.

**Wyoming Early Childhood Association**  
**VIII. ELECTION PROCEDURES**

**A. Election Practices**

1. The slate shall be presented to the membership in the July issue of the newsletter including petitioned nominees accompanied by written statements from each candidate. An official ballot and statements written by each candidate are mailed to all members no later than September 1st.
2. Ballots must be postmarked no later than 1 week prior to the annual conference to be counted. Ballots should be returned to the nominating committee chair. Vote counts are done by the nomination committee chair and must be verified by two independent tabulations.

**B. Announcement of Election Results**

1. All candidates shall be notified in writing of the election results and final counts.
2. The Governing Board shall be notified of the election results simultaneously with the candidates.
3. The membership shall be informed of the election results by an announcement at the annual conference and printed in the November issue of the newsletter.
4. Final election counts may be released to any member upon receipt of written request; however, such information is released only upon request.

**C. Letter of Appreciation**

A letter of appreciation will be sent to the employer of each newly elected Board member if they so desire, expressing the Association's appreciation for the employer's support of the individual's service as a Board member.