



GOVERNANCE POLICIES September 24, 2021

1. GOVERNANCE

The purpose of The League for People with Disabilities (The League) Governance Policies is to provide a framework for ethical and effective decision making, action and resource allocation by the Board of Directors in the performance of their fiduciary responsibilities.

The League is currently governed by a Board of Directors. The Board sets policies relating to governance, expenditures, management and professional standards. They also represent The League before the public, select Board officers and review the performance and set the compensation of the President & CEO. The Board meets six times annually. The Board reviews all financial statements and engages a Certified Public Accountant to do an annual financial audit of The League.

All Board members are independent and all are subject to a Board-approved conflict of interest policy.

The League and the activities of its Board and staff members are governed by the following documents:

- **Standards of Independence**
Sets forth the definition of "independence" adopted by the Board.
- **Board of Directors Code of Conduct**
Outlines expected conduct by members of the Board of Directors and staff.
- **The League Staff Code of Ethics**
Includes additional procedures for avoiding actual or apparent conflicts of interest by staff.
- **Whistleblower Protection Statement**
Outlines protective measures enacted to prevent retaliation if an employee raises a question about the Society's accounting practices.
- **The League General Policy and Procedures.**
Outlines policy frameworks for all aspects of business and service delivery operations.

These policies will be reviewed annually by the Board of Directors and amended as necessary.



2. MISSION

The League for People with Disabilities offers individuals the opportunity to gain independence, to increase self-sufficiency and to improve the quality of life.

3. PHILOSOPHY AND VALUES STATEMENT

The League's philosophy recognizes that everyone has basic human rights and promotes the treatment of all persons with dignity and respect. The underlying premise is that no person shall be subjected to discrimination on the basis of disability (physical, developmental or mental), gender, age, race, religion, sexual orientation, ethnicity, marital status, socio-economic status, or political affiliation. Services will center on individual needs and encompass each person's social, physical, spiritual and psychological uniqueness.

The League is committed to:

- Safeguarding intrinsic human rights and dignity.
- Decision-making processes that are person-centered.
- Self-determination.
- Community inclusion.
- Personal growth through individually relevant and measurable goals.
- Proactive intervention.
- Support for the involvement of family and significant others
- Staff with a value base and personality factors consistent with The League's philosophy.
- Focusing on measuring outcomes.
- Safe and accessible work environment.

4. SERVICE PRIORITIES

The services of The League include, but are not limited to Medical Day, MS Day, Day Habilitation, Workforce Development, League Industries, Camping & Therapeutic Recreation, Wellness Center, Youth Autism Services, Personal Supports, Behavioral Support Services and SCALE at The League.



In fulfilling its mission, The League will ensure that the allocation of financial and human resources reflects the importance of program services. To this end, the Board reviews the monthly revenue and expenses broken down by program.

5. ROLES AND RESPONSIBILITIES

The role of the Board of Directors of The League is to govern services provided to individuals and families of people with disabilities. The Board exercises this authority at arm's length from the management and delivery of services.

The responsibilities of the Board of Directors of The League are to:

- Establish, monitor, and renew the mission and values of The League on a regular basis.
- Establish, monitor and renew strategic goals for The League on a regular basis and ensure that business plans and budgets reflect those goals.
- Maintain the long-term fiscal health of The League.
- Approve the annual budget.
- Review financial reports and audited financial statements.
- Establish, monitor and renew the bylaws of The League and the policies of the Board of Directors on a regular basis.
- Orient and train new Board members.
- Hire and evaluate the President & CEO.
- Operate in compliance with all relevant legislation, regulations, established service standards, written codes of ethical conduct and contractual agreements.
- Avoid actual and perceived conflicts of interest and declare all potential conflicts.
- Establish, monitor and renew plans for risk management on a regular basis.
- Maintain open and regular communication with League donors and the community.
- Monitor and report the quality and outcomes of services of The League.
- Evaluate its own performance.
- Provide consultation and/or assistance as requested by the President & CEO.

6. CODE OF CONDUCT



A code of conduct defines the boundaries of appropriate behavior for the governance of The League. It provides an ethical framework to guide the individual and collective actions of the Board of Directors on a daily basis.

The requirement to comply with this code of conduct is a condition of Board membership. Board members who fail to comply with the code may be asked to relinquish specific Board responsibilities or to resign their position.

A. Stewardship

Board members have a fiduciary responsibility to ensure the sound and prudent use of public resources and to safeguard the public interest in the performance of their governance duties. The actions of the Board members should instill confidence and trust and not bring The League into disrepute.

B. Confidentiality

Board members must not divulge confidential information acquired through their governance duties to anyone other than persons who are authorized to receive such information. Caution and discretion in handling confidential information extends to disclosures made within and outside The League and continues to apply after the governance relationship ends.

C. Public Comments

Board members must exercise caution and discretion in making public comments or entering into public debate regarding The League regulation, policies, procedures or services. The comments of Board members must accurately reflect the official position of the Board of Directors and not bring The League into disrepute.

D. Service to Participants, Members, and Stakeholders

Board members must ensure that service to the participants and members of The League is respectful, ethical, professional, efficient and effective. Board members must be sensitive and responsive to the changing needs, expectations and rights of a diverse participant and membership base while respecting the legislative, funding, policy and service framework within which service is provided.

E. Conduct and Language

The conduct and language of Board members must meet acceptable social standards and contribute to a positive governing environment. Board members must treat each other in accordance with the values of The League in the exercise of their



governance duties. Board members must not engage in discrimination or harassment or any other violations of basic human rights.

F. Objectivity

Board members must disqualify themselves as participants in governance decisions when their objectivity would be compromised for any reason, or a benefit or perceived benefit could inure to them.

G. Legal Proceedings

Board members are obliged to cooperate with legal counsel acting for The League's interests during any legal proceedings. Any written opinion prepared on behalf of The League by legal counsel is subject to attorney-client privilege and is, therefore, confidential. Such an opinion is not to be released to persons outside The League without prior consent of the Board of Directors.

H. Personal Relationships

Board members who are direct relatives of each other or who are direct relatives of participants receiving service at The League may not engage in governance activities where the relationship affords an opportunity for collusion that would have a detrimental effect on The League. This restriction may be waived provided that sufficient safeguards are in place to ensure that the values of The League are not compromised.

1. Board members are obliged to respect and safeguard League property, reputation, materials and programs at all times.
2. Board members may be asked to witness League documents, as needed.

7. CONFLICT OF INTEREST STATEMENT

The proper governance of The League depends on its Board of Directors who give their time and talent for the benefit of The League's participants, families, stakeholders and the community at large. Because of their varied interests and occupations, situations of dual interest may result that could be interpreted as a conflict of interest.

This service should not be rendered impossible solely by reason of this duality of interest. Therefore, the Board adopts the following policy which would require full disclosure of a duality of interest and nonparticipation in any discussions and vote where the interest is involved.

A. The following policy of duality and conflict of interest is hereby adopted:

1. Any duality of interest or possible conflict of interest on the part of a Board member shall be disclosed to the entire Board and made a matter of record. This process shall be an annual occurrence or when the interest becomes a matter for Board action.
2. Any Board member having a duality of interest or possible conflict of interest on any matter shall:
 - Disclose the possible conflict of interest to the Board.
 - Leave the meeting during any discussions concerning the matter.
 - Not vote or use his/her personal influence concerning the matter.
 - Not be counted in determining the quorum for the meeting.

The remaining Board members shall decide after disclosure, if a conflict of interest exists. If it is determined that a conflict of interest exists with regard to a member or officer, the Chair of the Board, shall, when appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction.

3. After exercising due diligence, the Board shall determine whether The League can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine, by a majority vote of the disinterested Board members present, whether the transaction or arrangement is fair and reasonable and shall decide whether to enter such transaction or arrangement.
5. The minutes of the Board meetings shall include:
 - The names of persons who disclosed financial interests, the nature of the financial interests and whether the Board determined that there was a conflict of interest.
 - The names of all persons present for discussions and/or votes relating to the transaction or arrangement; the content of these discussions, including any alternatives to the proposed transaction or arrangement; and a record of the vote, including the quorum situation and any abstention from voting.

6. Each Board member shall sign an annual statement which affirms that such person has received a copy of the conflicts of interest policy; has read and understands the policy; and has agreed to comply with the policy.
7. The responsibility for monitoring such disclosure shall rest with the Chair of the Board. He/she will report annually to the full Board and make recommendations regarding specific disclosures.
8. The Board shall take appropriate disciplinary and corrective action with respect to a member who violates the conflicts of interest policy.

B. Guidelines to Determine Potential Conflicts of Interest

A conflict of interest may be considered to exist in those instances where the actions or activities of an individual on behalf of The League would result in personal gain or advantage, whether direct or through a third party, to the extent it adversely affects the League's interests.

The following guidelines should be used in your review for identifying potential conflicts:

1. Financial Interests

- Any Board member or officer directly or indirectly through business or family, holding a position or having material financial interest (actual or potential ownership, compensation arrangement) in an outside concern from which The League secures goods or services;
- Competition with The League by an individual directly or indirectly through business or family, in the purchase or sale of property or property rights or interest.

2. Gifts, Gratuities, and Entertainment

Acceptance of gifts, excessive or unusual entertainment or other favors from any concern outside that does or is seeking to do business with The League.

This does not include the acceptance of items of nominal or minor value that are of such a nature as to indicate that they are merely taken out of respect or friendship and not related to any particular transactions of The League.

3. Inside Information



Disclosure or use of The League's information for the personal profit or advantage of individuals or organizations to the extent it negatively impacts The League.

4. Other

Full disclosure of any situation in doubt should be made to permit an impartial determination. It should be particularly noted that this disclosure relates not only to the Board member, but also to the Board member's immediate family.

8. ETHICAL FUNDRAISING

The League has adopted and adheres to the following Donor Bill of Rights and Code of Ethical Principals and Standards relating to fundraising practices and financial accountability of all charitable contributions to the organization. The following codes are taken from the Association of Fundraising Professionals, with their permission, for the purpose of directing all development and fundraising activities of the organization and assuring donors of the integrity and accountability of the fundraising practices of The League.

In adopting these codes, The League's Board of Directors commits to being responsible custodians of donated funds, to exercise due care concerning fundraising practices and financial reporting, and to ensure that The League adheres to the provisions of the Code. Each Board member shall receive a copy of the Donor Bill of Rights and Code of Ethical Principals and Standards when they are elected to the Board of Directors.

A. The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.***
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.***
- III. To have access to the organization's most recent financial statements.***
- IV. To be assured their gifts will be used for the purposes for which they were given.***



- V. *To receive appropriate acknowledgement and recognition.*
- VI. *To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.*
- VII. *To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*
- VIII. *To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.*
- IX. *To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*
- X. *To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

B. Code of Ethical Principles *(Adopted in 1964 by the AFP)*

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism.

Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled.

To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- ***Practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust;***
- ***Act according to the highest goals and visions of their organizations, professions, clients and consciences;***
- ***Put philanthropic mission above personal gain;***
- ***Inspire others through their own sense of dedication and high purpose;***



- ***Improve their professional knowledge and skills, so that their performance will better serve others;***
- ***Demonstrate concern for the interests and well-being of individuals affected by their actions;***
- ***Value the privacy, freedom of choice and interests of all those affected by their actions;***
- ***Foster cultural diversity and pluralistic values and treat all people with dignity and respect;***
- ***Affirm, through personal giving, a commitment to philanthropy and its role in society;***
- ***Adhere to the spirit as well as the letter of all applicable laws and regulations;***
- ***Advocate within their organizations adherence to all applicable laws and regulations***
- ***Avoid even the appearance of any criminal offense or professional misconduct;***
- ***Bring credit to the fundraising profession by their public demeanor***
- ***Encourage colleagues to embrace and practice these ethical principles and standards; and***
- ***Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.***

C. ETHICAL STANDARDS

(Adopted in 1964 by the AFP and amended in 2014)

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP Members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST

Members shall:

- 1. not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.***
- 2. not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.***

3. ***effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.***
4. ***not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.***
5. ***comply with all applicable local, state, provincial and federal civil and criminal laws.***
6. ***recognize their individual boundaries of professional competence.***
7. ***present and supply products and/or services honestly and without misrepresentation.***
8. ***establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.***
9. ***never knowingly infringe the intellectual property rights of other parties.***
10. ***protect the confidentiality of all privileged information relating to the provider/client relationships.***
11. ***never disparage competitors untruthfully.***

SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS

Members shall:

12. ***ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.***
13. ***ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.***
14. ***ensure that contributions are used in accordance with donors' intentions.***
15. ***ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.***
16. ***obtain explicit consent by donors before altering the conditions of financial transactions.***

TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION

Members shall:

17. ***not disclose privileged or confidential information to unauthorized parties.***
18. ***adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.***
19. ***give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.***



20. when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

COMPENSATION, BONUSES & FINDER'S FEES

Members shall:

21. not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.

22. be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.

23. neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.

24. not pay finder's fees, commissions or percentage compensation based on contributions.

25. meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

9. WHISTLEBLOWER PROTECTION STATEMENT

The League is committed to maintaining materially accurate and complete financial records and to full, fair, accurate, timely and understandable disclosure in material respects in reports and documents that The League files with governmental agencies or otherwise makes publicly available.

To facilitate the reporting of potential accounting, control and auditing issues, The League has established the following procedures for the receipt, retention and treatment of complaints regarding accounting, control and auditing matters, and the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters (collectively, "Accounting Complaints").

Accounting Complaints concern matters such as fraud or deliberate error in the preparation or audit of any financial statement record of The League; deficiencies in, or noncompliance with, The League's internal accounting controls; misrepresentations or false statements to or by an officer or accountant regarding a matter contained in The League's financial or audit records or reports; or other deviation from full and fair reporting of The League's financial condition.



Any person, including employees of The League, may submit a good faith Accounting Complaint to the Chief Financial Officer, President & CEO or the Board of Directors. Employees will not be retaliated against in any way for submitting such a complaint, and may submit complaints anonymously and confidentially.

The League will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of an Accounting Complaint or the provision of assistance in investigating or otherwise helping to resolve the Accounting Complaint. Retaliation against a complaining employee may result in disciplinary action by The League. Any reported allegations of retaliation will be investigated promptly.

10. BOARD NOMINATION PROCESS

The Board seeks to recruit individuals as Board members who are committed to the mission and governing process of The League.

The Board seeks out candidates who possess the following characteristics:

- Demonstrated passion for the mission.
- Relevant professional skills and backgrounds.
- A reflection of the diversity of cultures, abilities, family structure, race, socio-economic status and geography of our service area.
- Support the Board governing structure and can meet Board work expectations.
- Will engage in deliberative and collegial decision-making.
- Are committed to their stewardship responsibilities.
- A knowledge of social service sector systems, organization development, change management, strategic thinking, organizational growth, or strategic legal and nonprofit issues.

In the process of recruiting and/or nominating candidates, the Board may at its discretion request from all candidates:

- Letter of interest.
- Resume or summary of experience.
- Interview by Board members.



- References to verify demonstrated competencies.

Final Board selection will be made in accordance with the provisions outline in the bylaws.

11. Standards of Independence

No Board member qualifies as "independent" for purposes of membership of The League's Board of Directors or any Board Committee:

- If, in the opinion of the Board, the member has a relationship with The League that would interfere with the exercise of independent judgment in carrying out the responsibilities of a Board member.
- Who is a partner in, or a controlling shareholder of, any organization from which The League received, payments for property or services.
- Who is or was at any time during the past three years employed as an executive officer of another entity where at the time of such employment The League President & CEO served on the compensation committee of such other entity.
- Who is a current employee or partner of The League's outside auditor or was an employee or partner. The League's outside auditor who worked on The League's audit at any time during any of the past three years.

12. STRUCTURE and OPERATING PROCEDURES

The Board of Directors shall organize itself to fulfill its roles and responsibilities efficiently, effectively and in accordance with The League by-laws. The meetings of the Board of Directors shall be conducted in accordance with Robert's Rules of Order.

To this end, the structure of the Board of Directors of The League shall consist of the Committee of the Whole, sub-committees and task forces as necessary.

The Committee of the Whole shall consist of elected members in good standing. The President and CEO shall be an ex-officio member of the Committee of the Whole.

The sub-committees shall perform the delegated work of the Board within stated terms of reference. This work may include in-depth, task-specific research, analysis, problem-



solving and policy recommendations. The task forces shall provide advice to management and/or the Board of Directors as requested on specific issues.

The Board as a whole shall assess its performance on annual basis in an effort to determine its effectiveness in governing The League. The assessment shall ensure that the Board is fulfilling its duties and evolving within the context of challenges that The League faces. Additionally, this will facilitate an evolving governance model to ensure that the Board's activities remain relevant and effective on behalf of stakeholders. This concept shall also apply to individual Board members. To that end periodic self-evaluations of individual Board member shall be conducted.

13. DELEGATION OF AUTHORITY TO THE PRESIDENT & CEO

To effectively govern The League, the Board of Directors delegates authority and responsibility to the President & CEO. The President & CEO shall report directly to the Board of Directors.

Accordingly, the President & CEO shall be responsible for:

- Establishing all operating plans, budgets, policies and procedures.
- Allocating human, financial, capital and technological resources within approved budget or specific Board approval.
- Managing the delivery and evaluation of all programs and services.
- Monitoring and reporting on operational and financial performance.
- Managing relationships with key stakeholders.
- Performing all duties in a lawful and ethical manner, in accordance with The League values, commonly accepted business practices and established professional and service standards.
- Ensuring care delivery standards required by licensing agencies and COMAR Regulations, CARF standards are met or exceeded.

A. Scope of Executive Authority

The scope of the authority delegated to the President & CEO is defined by the following policies and may be extended or curtailed at any time through subsequent Board policies.

14. STRATEGIC PLANNING AND MANAGEMENT

The President & CEO is responsible for operationalizing the strategic plan developed by the Board of Directors.

Accordingly, the President and CEO shall:

- Ensure that annual operating (business) plans and budgets implement the strategic goals.
- Monitor and report on the achievement of the strategic goals on a regular basis.
- Provide timely and accurate information on changes in client demographics, service utilization and government funding, policy and legislation.

A. Service Planning and Management

The President & CEO is responsible for ensuring the effective and efficient delivery of services to clients and the community.

Accordingly, the President & CEO shall:

- Allocate sufficient resources to support the achievement of strategic and operational goals.
- Ensure the design and delivery of services are based on the best possible knowledge, evidence and practice.
- Monitor and report on the achievement of key outcomes for participants.

B. Financial Planning and Management

The President & CEO is responsible for maintaining the long-term fiscal health of the organization.

Accordingly, the President & CEO shall:

- Ensure that the Board of Directors receives necessary financial reports and analyses in a timely manner and understandable format.
- Maintain adequate capital and operating reserves.
- Allocate resources for competing budgetary needs in a manner that is consistent with Board-stated priorities.
- Utilize and oversee the services of a competent Chief Financial Officer.

C. Risk Management

The President & CEO is responsible for safeguarding the organization against undue risk.

D. Human Resources Management

The President & CEO shall;

- Ensure staff and volunteers are treated in accordance with The League values.
- Comply with relevant workplace legislation, regulations and standards.

E. Accountability

The President & CEO is accountable for the responsibilities conferred by the Board of Directors and by governing legislation, regulations, contractual agreements and professional bodies.

Accordingly, the President & CEO shall:

- Submit timely, accurate and understandable information and analysis on the cost, quality, outcomes and compliance of programs, services and other aspects of organizational performance.
- Submit plans for corrective action, as needed.
- Submit year-end organizational performance, financial performance and compliance reports with recommendations for improvement, as needed, in the following fiscal period.

15. BOARD CHAIR – PRESIDENT & CEO LINKAGE

Only officially passed motions of the Board are binding on the President & CEO.

- 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 authority.
- In the case of the individual Board members or committees requesting information or assistance without Board authorization, the President & CEO can refuse or defer the request to the next Board meeting.

A. Accountability of the President & CEO

- 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.
- The Board will never give instructions to persons who report directly or indirectly to the President & CEO.
- The Board will refrain from evaluating, either formally or informally, any staff other than the President & CEO.
- The Board will view President & CEO performance as identical to organizational performance.

B. Monitoring President & CEO Performance

- Monitoring of President & CEO's job performance will be solely against the expected President & CEO job outputs.
- Monitoring is to determine the degree to which Board policies are being met. Data which do not do this will not be considered to be monitoring data.
- The Board will acquire monitoring data in consultation with the President & CEO by one or more of three methods:
 - (a) By internal report, in which the President & CEO discloses 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.
 - (c) By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria. The Board reserves the right to third party monitoring.
- In every case, the standard for compliance shall be *any reasonable President & CEO interpretation* of the Board policy being monitored.
- All policies which instruct the President & CEO will be monitored equally 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 a routine schedule.
- Monitoring the President & CEO performance (evaluation) and salary will be done by the Board annually.

16. PRESIDENT & CEO COMPENSATION PHILOSOPHY AND POLICY



A. Policy

It is the policy of The League to provide a compensation program for President & CEO which is based upon total compensation, the components of which are: base salary, with position rates and ranges reflecting prevailing salary levels for comparable positions in the social service sector and retirement and other executive benefits. In extraordinary circumstances discretionary incentive compensation may be awarded, designed to reward significant individual and organizational accomplishments.

B. Scope

Compensation goals for the President & CEO are essential organizational tools to foster positive managerial performance, to enhance productivity and to achieve strategic and operational organizational objectives. The approved compensation goals are:

- To attract and retain the most competent and qualified executive talent by providing competitive total compensation programs.
- To maintain internal compensation equity based upon a systematic method of evaluating scope of responsibility and contribution to organizational results for the executive position.
- To maximize objectivity in the manner in which individual managerial performance is recognized.

C. Eligibility

The Board is responsible for:

- Determining the overall structure of the compensation program for the President & CEO of The League.
- Evaluating the performance of the President & CEO and for determining his/her compensation.

D. Definitions

Total Compensation



Total compensation will be defined as:

- Base Salary.
- Discretionary Incentive Compensation.
- Retirement and Other Executive Benefits.

Base salary "targets" will be established for President & CEO utilizing appropriate data from surveys of comparable service organizations in the social service sector in the Baltimore region conducted by a recognized expert in the area. Data from the Maryland Association of Non-Profits will be the primary reference for this comparison. Additionally, the Board of Directors will use empirical data from nationally recognized publications.

E. President & CEO Total Compensation Philosophy and Policy

New President & CEO's salaries will be set within the base salary range based on experience and recruitment requirements.

Annual base salary adjustments may have the following components depending upon the individual's relationship to the market-determined target:

- A market structure adjustment to maintain the desired ratio relationship to the position rate.
- A performance-based merit adjustment.

F. Discretionary Incentive Compensation

Discretionary incentive compensation may be awarded under extraordinary circumstances and is designed to reward significant individual and organizational accomplishments.

Actual payments will be awarded solely at the discretion of the Board. President & CEO compensation levels are set competitively within market range and it is not expected discretionary incentive compensation will be awarded on a usual and recurrent basis.

G. Retirement and Other Supplemental Benefits

In determining overall total compensation, retirement and other supplemental benefits will be considered and negotiated as appropriate.

17. SUCCESSION PLANNING

Policy: Continuity of leadership is essential to the success of The League. This plan is designed to address contingencies due to the possible disability, death or departure of the President & CEO. If The League is faced with the unlikely event of an untimely vacancy, these succession plans will facilitate the transition to both interim and longer-term leadership.

A. Succession Plan in Event of a Temporary, Unplanned Absence: *Short-Term*

1. *Definition, authorization and identification of succession leadership*

A temporary absence is one of less than three months in which it is expected that the President & CEO will return to his/her position once the events precipitating the absence are resolved.

An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical. The Board of Directors implements the terms of this emergency plan in the event of the unplanned absence of the President & CEO.

In the event of an unplanned absence of the President & CEO, the Chief Financial Officer is to immediately inform the Board Chair of the absence. As soon as it is feasible, the Board Chair should convene a Board meeting to affirm the procedures prescribed in this plan or to make modifications, as the Board deems appropriate.

2. *Authority and Compensation of the Acting President & CEO*

The person appointed as Acting President & CEO shall have the authority for decision-making and independent action as the regular President & CEO with some degree of Board oversight. The Acting President & CEO may be offered a temporary salary increase to the entry-level salary of the President & CEO position.

3. *Board Oversight*

The Board shall be responsible for monitoring the work of the Acting CEO. The Board will be sensitive to the special support needs of the Acting President & CEO in this temporary leadership role.

4. *Communications Plan*



Immediately upon transferring the responsibilities to the Acting President & CEO, the Board President will inform:

- League Board members and staff
- Appropriate State Agencies (DDA, DHMH, OHCQ, MSDE, DORS)
- Participants
- Parents and other stakeholders

5. Completion of Short-Term Emergency Succession Period

The decision about when the absent President & CEO returns to lead The League should be determined by the President & CEO and the Board Chair, who will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working his/her way back up to a full-time commitment.

B. Succession Plan in Event of a Temporary, Unplanned Absence: Long-Term

1. Definition

A long-term absence is one that is expected to last more than three months. The procedures and conditions to be followed should be the same as for a short-term absence with the following addition:

- The Board will give immediate consideration, in consultation with the Acting President & CEO, to temporarily filling the leadership position left vacant by the Acting President & CEO. This is in recognition of the fact that for a term of more than three months, it may not be reasonable to expect the Acting President & CEO to carry the duties of both positions. The position description of a temporary coverage would focus on covering the priority areas in which the Acting President & CEO needs assistance.

2. Completion of Long-Term Emergency Succession Period

The decision about when the absent President & CEO returns to lead The League should be determined by the President & CEO and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working the way up to a full-time commitment.

C. Succession Plan in Event of a Permanent Change in President & CEO



1. Definition and transition process: A permanent change is one in which it is firmly determined that the President & CEO will not be returning to the position. The procedures and conditions should be the same as for a long-term temporary absence with the following additions:
 - a. The Board of Directors will appoint a Transition and Search Committee within 14 calendar days to plan and carry out a transition to a new permanent President & CEO.
 - b. The Board will also consider the need for outside consulting assistance depending on the circumstances of the transition and the Board's capacity to plan and manage the transition and search.
 - c. The Transition and Search Committee will also determine the need for an Interim President & CEO, and plan for the recruitment and selection of an Interim President & CEO and/or permanent President & CEO.

Approved by Board of Directors: June, 2010

Reviewed by Board of Directors: November, 2012, October, 2015

Amended and Approved by Board of Directors: September 2018

Amended and Approved by Board of Directors: September 2020

Reviewed by Board of Directors: September 24, 2021

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U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
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Washington, D.C. 20250-9410; or
2. **fax:**
(833) 256-1665 or (202) 690-7442; or
3. **email:**
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