



AMERICAN INTERNATIONAL SCHOOLS IN THE AMERICAS

BOARD POLICY MANUAL

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POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.1 GLOBAL GOVERNANCE
COMMITTMENT

The purpose of the board, on behalf of the members of the Association, is to see to it that AMISA (1) achieves appropriate results for appropriate persons at an appropriate cost, and (2) avoids unacceptable actions and situations. and (3) appoints trustees solely on the basis of merit without regard to religion, ethnic or national origin, gender or disability.

In accordance with the by-laws, the Board shall:

- i. Appoint trustees solely on the basis of merit without regard to religion, ethnic or national origin, gender or disability.
- ii. Interpret the by-laws of the association for purposes of policy development;
- iii. Comply with decisions taken at general assemblies of members, when such decisions are taken in compliance with the limitations on authority defined in the by-laws.
- iv. Present an annual report on the performance of the association to the general assembly of members.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.2 GOVERNING STYLE

The board will govern lawfully, observing the principles of the Policy Governance model with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of board and chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) pro-activity rather than reactivity.

Accordingly,

1. The board will cultivate a sense of group responsibility. The board, not the Executive Director or his/her staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body rather than to substitute individual judgments for the board's values.
 - a. Board members will assume their seats on the Board at the first regular meeting after the election
 - b. Board members unable to attend a meeting may vote on issues on the agenda and before the Board via written proxy when said proxy is delivered to the President in advance of the meeting.
 - c. Silence in voting will signify concurrence and a "yes" vote.
 - d. Abstentions will be voiced, justified, and noted in the minutes whenever used.
 - e. Board members will present a unified front in support of all decisions taken, even when taken on a split vote. As such, minutes will reflect only the approval or rejection of any motion, and not the vote tally.
2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives about ends to be achieved and means to be avoided. The board's major policy focus will be on the intended short- and long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Although the board can change its governance policies at any time, it will scrupulously observe those currently in force.

- a. All Board members are expected to attend the two regularly scheduled meetings during the year, planning sufficiently to be able to participate actively in the entire meeting agenda.
 - b. The Board will also hold at least one electronic meeting annually. The Executive Director will distribute the President's agenda and a voting sheet. Board members will hold discussion either through a conference call or by email (replying to all). When the President determines that discussion has ended, a motion and second will be made for each item to be voted upon, and Board members will cast their votes by replying to all. The President will summarize the decisions taken. The Secretary will take minutes of the electronic meeting and those minutes will be presented and voted upon at the next physical meeting of the Board so as to confirm the decisions taken electronically.
 - c. Meeting Agendas will be prepared by the Executive Director in consultation with the Board President, who will assure that agenda discussion content will be only those issues which, according to board policy, clearly belong to the board to decide, not the Executive Director.
 - d. Other than in emergency situations, the Board will hold no meetings in the absence of the Executive Director, unless it is to review his/her performance and contract.
5. At any annual or duly called meeting of the Board, any Trustee may be removed with just cause by a majority vote of the Board of Trustees of record. A determination of just cause shall involve either two consecutive unjustified absences from regular meetings, acting in a manner deemed detrimental to the Board or Association, acting in an unethical manner, or no longer complying with the objectives of the Association. A successive Trustee may then and there be elected to fill the vacancy thus created. Any Trustee whose removal has been proposed shall be given at least 30 days' notice of the intent to take such action and an opportunity to be heard at this meeting. If so decided by the Board, the Trustee's removal will be with immediate effect. Upon reconsideration by the Board, however, such member may be reinstated.
 6. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
 7. The board will allow no officer, individual, or committee of the board to hinder or be an excuse for not fulfilling group responsibilities.
 8. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include

comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.3 BOARD JOB DESCRIPTION

The job of the board, as an informed agent of the membership, is to ensure appropriate organizational performance.

Accordingly, the board will provide

1. An authoritative link between the membership and the operational organization.
2. Written governing policies that realistically address the broadest levels of all organizational decisions and situations.
 - a. Ends: Organizational impacts, benefits, outcomes, recipients, beneficiaries, impacted groups; and their relative worth in cost or priority.
 - b. Executive Limitations: Constraints on executive authority that establish the prudent and ethical boundaries within which all executive activity and decisions must take place.
 - c. Governance Process: Specification of how the board conceives, carries out, and monitors its own task.
 - d. Board-Management Delegation: How power is delegated and its proper use monitored; the Executive Director role, authority, and accountability.
3. Assurance of successful organizational performance on Ends and Executive Limitations.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.4 AGENDA PLANNING

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (1) completes re-exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

Accordingly,

1. The agenda cycle will conclude each year at the first meeting of the school year, normally held in September, so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term Ends.
2. The cycle will start with the board's development of its agenda for the next year.
 - a. Consultations with selected groups in the membership or other methods of gaining membership input will be determined and arranged in the first quarter, to be held during the balance of the year.
 - b. Governance education and education related to Ends determination (presentations by futurists, demographers, advocacy groups, staff and so on) will be arranged in the first quarter, to be held during the balance of the year.
 - c. A board member may recommend or request an item for board discussion by submitting the item to the Board President no later five days before the board meeting.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
4. Executive Director monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third party monitoring must be prepared.
5. Executive Director remuneration will be decided annually after a review of monitoring reports received in the last year.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.5 BOARD PRESIDENT’S ROLE

The Board President, a specially empowered member of the board, assures the integrity of the board’s process and, secondarily, occasionally represents the board to outside parties.

Accordingly,

1. The assigned result of the Board President is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will be only those issues which, according to board policy, clearly belong to the board to decide, not the Executive Director.
 - b. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
 - c. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
2. The authority of the Board President consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Management Delegation, with the exception (a) employment or termination of the Executive Director and (b) where the board specifically delegates portions of this authority to others. The Board President is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The Board President is empowered to chair board meetings, with all the commonly accepted power of that position such, as ruling and recognizing.
 - b. The Board President has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the chairperson has no authority to supervise or direct the Executive Director of School.
 - c. The Board President may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to that role.
 - d. The Board President may delegate this authority but remains accountable for its use.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.6 BOARD SECRETARY AND BOARD TREASURER ROLE

The board secretary is an officer of the board whose purpose is to ensure the integrity of the board's documents.

1. The assigned result of the secretary's job is to see to it that all board documents and filings are accurate and timely.
 - a. Policies will be current in their reflection of board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or board member recognition need not be placed in policy.
 - b. Policies will rigorously follow Policy Governance principles.
 - c. Bylaws elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the board.
 - d. Requirements for format, brevity, and accuracy of board minutes will be known to the Executive Director.
2. The authority of the secretary is access to and control over board documents as defined in the By-Laws including taking the minutes of meetings and Board correspondence.
3. The Secretary will be responsible for oversight and accuracy of Association documents but may delegate the administrative functions of filing and maintaining records to the Executive Director while maintaining the responsibility for the accuracy, accessibility and fidelity of those records.

The board treasurer is an officer of the board whose purpose is to advise the Board as it works to assure the integrity of the board's financial oversight responsibility and accountability.

1. The assigned result of the treasurer's job is to see to it that all board financial documents and filings are accurate and timely.
 - a. Policies will be current in their reflection of Board decisions.
 - b. Policies will rigorously follow Policy Governance principles.
 - c. Bylaws elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the Board.
 - d. The Treasurer will provide financial oversight by:
 - i. Assisting in the development of the annual budget
 - ii. Ensuring that proper financial controls are in place

iii. Ensuring adequate financial resources for the organization to achieve its mission

2. The Treasurer, working with the President, will review the regular financial reports, the annual audit of the previous year's books, the management letter, and the financial condition of the Association, to be presented to the Board of Trustees for their approval at each meeting. The audit, once approved by the Board, will also be presented to the Association at its Annual Business Meetings as information.
3. The Treasurer, working with the President, will provide oversight to the fiscal areas noted in Executive Limitations policies, reporting to the Board on its findings and recommending Board action on performance monitoring in that area.
4. The Treasurer, working with the President, will advise the Executive Director on the budget development process, and develop recommendations related to fiscal issues for Board consideration. The Board empowers them to request such information of the Executive Director as is reasonable to fulfill its charge.
5. The Board authorizes the President and Treasurer access to and control over Board documents as defined in the By-Laws in order to facilitate the fulfillment of the role defined in this policy.
6. The Board will be responsible for oversight and accuracy of Association financial documents but may delegate the administrative functions of filing and maintaining records to the Executive Director, while maintaining the responsibility for the accuracy, accessibility and fidelity of those records.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.7 BOARD MEMBERS' 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.

Accordingly,

1. Members must have loyalty to the membership, un-conflicted by loyalties to staff, other organizations, and any personal interests as a consumer.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. There must be no self-dealing or any conduct of private business or personal services by a member with the organization. Members will annually disclose any involvement with other organizations, with vendors, or other associations that might be, or might reasonably be seen as, being a conflict.
 - b. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation.
 - c. Board members must not use their positions to obtain employment for themselves, family members, or close associates. A board member who applies for employment must first resign from the board.
 - d. The Board as a whole shall be the final arbiter of the existence of a conflict of interest on any topic before the board.
3. Board members may not attempt to exercise individual authority over the organization.
 - a. Members' interaction with the Executive Director or with staff must recognize the lack of authority vested in individuals except when explicitly board-authorized.
 - b. Members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
 - c. Except for participation in board deliberation about whether the Executive Director has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees or the Executive Director.
4. Members will respect the confidentiality appropriate to issues of a sensitive nature.

5. Board members are expected to carefully review meeting information distributed in advance and to be well-prepared to discuss topics on the agenda.
6. Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the person's personal position on the issue.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.8 BOARD COMMITTEE PRINCIPLES

Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to Executive Director.

Accordingly,

1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have dealings with current staff operations.
2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Executive Director.
3. Board committees cannot exercise authority over staff. The Executive Director works for the full board, and therefore will not be required to obtain approval of a board committee before an executive action.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same topic.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity.
6. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the Executive Director.

POLICY TYPE: 1.0 GOVERNANCE PROCESS
POLICY TITLE: 1.9 COST OF GOVERNANCE

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Accordingly,

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - a. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes but is not limited to fiscal audit.
 - c. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - a. For training, including attendance at conferences and workshops.
 - b. For audit and other third-party monitoring of organizational performance.
 - c. For surveys, focus groups, opinion analyses, and meeting cost.
3. The board will establish its cost of governance budget for the next fiscal year as part of the normal budget approval process.

POLICY TYPE: 2.0 BOARD-MANAGEMENT DELEGATION
POLICY TITLE: 2.1 GLOBAL BOARD-MANAGEMENT DELEGATION

The board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer, called the Executive Director of the Association of American Schools in South America.

POLICY TYPE: 2.0 BOARD-MANAGEMENT DELEGATION
POLICY TITLE: 2.2 UNITY OF CONTROL

Only officially passed motions of the board are binding the Executive Director.

Accordingly,

1. Decisions or instructions of individual board members, officers, or committees are not binding on the Executive Director except in rare instances when the board has specifically authorized such exercise of authority.
2. In the case of board members or committees requesting information or assistance without board authorization, the Executive Director can refuse such requests that require, in the Executive Director's opinion, a material amount of staff time or funds, or that are disruptive to the operation of the Association.

**POLICY TYPE: 2.0 BOARD-MANAGEMENT
DELEGATION**
**POLICY TITLE: 2.3 ACCOUNTABILITY OF THE
EXECUTIVE DIRECTOR**

The Executive Director 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 Executive Director.

Accordingly,

1. The board will never give instructions to persons who report directly or indirectly to the Executive Director.
2. The board will not evaluate, either formally or informally, any staff other than the Executive Director.
3. The board will view Executive Director performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends and avoidance of board-proscribed means will be viewed as successful Executive Director performance.

POLICY TYPE: 2.0 BOARD-MANAGEMENT DELEGATION
POLICY TITLE: 2.4 DELEGATION TO THE EXECUTIVE DIRECTOR

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

Accordingly,

1. The board will develop policies instructing the Executive Director to achieve certain results for certain recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called *Ends policies*. All issues that are not ends issues as defined here are means issues.
2. The board will develop policies that limit the latitude the Executive Director may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, and circumstances that would be unacceptable to the board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called *Executive Limitations policies*. The board will never prescribe organizational means delegated to the Executive Director.
3. Below the global level, a single limitation at any given level does not limit the scope of any foregoing level.
4. Below the global level, the aggregate of limitation on any given level may embrace the scope of the foregoing level, but only if justified by the Executive Director to the board's satisfaction.
5. As long as the Executive Director uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Such decisions of the Executive Director shall have full force and authority as if decided by the board.
6. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and Executive Director domains. By doing so, the board changes the latitude of choice given to the Executive Director. However, as long as any particular delegation is in place, the board will respect and support the Executive Director's choices.

POLICY TYPE: 2.0 BOARD-MANAGEMENT DELEGATION
POLICY TITLE: 2.5 MONITORING EXECUTIVE DIRECTOR PERFORMANCE

Systematic and rigorous monitoring of Executive Director job performance will be solely against the expected Executive Director job outputs: organizational accomplishment of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

Accordingly,

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring information.
2. The board will acquire monitoring data by one or more of three methods:
 - (a) By internal report, in which the Executive Director discloses interpretations and compliance information to the board in a manner he/she devises.
 - (b) By external report, in which an external, disinterested third party selected by the board assesses compliance with board policies.
 - i. Outside monitoring will include, but not necessarily be limited to, the fiscal audit.
 - ii. The outside auditing firm used to review the Association’s financial operation will be approved by the Board and, under normal circumstances, reviewed at least every five (5) years.
 - (c) By direct board inspection, in which a designated member or members of the board assesses compliance with the appropriate policy criteria.
3. In every case, the board will judge (a) the reasonableness of the Executive Director’s interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. The standard for compliance shall be *any reasonable Executive Director interpretation* of the board policy being monitored. The board is final arbiter of reasonableness, but will always judge with a “reasonable person” test rather than with interpretations favored by individual board members or by the board as a whole.
5. All policies that instruct the Executive Director will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

Policy	Method	Frequency
Global Executive Constraint	Internal	Annually
Treatment of Consumers	Internal	Annually: Feb, all items
Treatment of Staff	Internal	Annually: Feb, all items

Financial Planning and Budgeting	Internal	Annually: Dec, as part of budget document submitted for approval
Financial Condition and Activities	Internal External ¹	Sem: July,Dec-Fin Report plus narrative Annually: AUDIT: Dec: NB – Audit needs to address the issues in policy
Asset Protection	Internal External ²	Sem: July,Dec – Fin Rept plus narrative; split out 1,2,3,4,6,10,11 Annually: AUDIT: Dec: NB – Audit needs to address the issues in policy, items 5,7,8,9,12
Emergency Executive Director Succession	Internal	Annually: Sept
Compensation and Benefits	Internal External ³	Annually: Sept (budget), items 2,3,5 Annually: AUDIT: Dec: NB – Audit needs to address the issues in policy; items 1,4
Communication and Support	Direct Inspection ⁴	Annually: Feb – Bd to appt sub-Comm Dec
Ends	Internal	Annually: Sept: Major Perf Rev of prev yr

NOTES:

1. An external audit of the annual balance sheet and specified management areas.
2. Included in external audit.
3. Ibid
4. The Board will use Executive Director-prepared agenda packets and other communications as the basis for its review of the items related to Communications and Support.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.1 GLOBAL EXECUTIVE CONSTRAINT

The Executive Director 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 and practices.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.2 TREATMENT OF CONSUMERS

With respect to interactions with consumers or those applying to be consumers, the Executive Director shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified or unnecessarily intrusive.

Accordingly, the Executive Director shall not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, renewing, transmitting, or storing client information that fail to protect against improper access to the material.
3. Fail to operate facilities with appropriate accessibility and privacy.
4. Fail to:
 - a. secure Board approval or rejection of all membership applications
 - b. verify that all membership applications meet the Board-approved criteria for membership prior to submitting them to the Board for approval.
 - i. Full Member Schools must:
 - be elementary and/or secondary schools
 - be led by a Chief Administrative Officer
 - have English as the primary language of instruction
 - be accredited by an organization recognized/approved by AMISA (U.S. regional accrediting agencies or CIS).
 - have governance characteristics similar to those described in U.S. regional accreditation association governance standards
 - agree to adhere to the principles, purposes and objectives of AMISA
 - ii. Invitational Member Schools must:
 - be elementary and/or secondary schools
 - be led by a Chief Administrative Officer
 - have English as the primary language of instruction
 - o Commit to achieving full accreditation within five (5) years by an organization recognized/approved by AMISA (U.S. regional accrediting agencies or CIS).
 - o have governance characteristics similar to those described in U.S. regional accreditation association governance standards
 - o agree to adhere to the principles, purposes and objectives of AMISA
5. Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from the service offered.
6. Fail to inform consumers of this policy, or to provide a way to be heard to those who believe that have not been accorded a reasonable interpretation of their rights under this policy.
7. Permit non-Latin American schools or schools that are not accredited or candidates for accreditation (unless grandfathered through 2020) to attend the AMISA Recruiting Fair so as to preserve the regional nature and quality of this event.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.3 TREATMENT OF STAFF

With respect to the treatment of paid and volunteer staff, the Executive Director may not cause or allow conditions that are unfair, undignified, disorganized or unclear.

Accordingly, the Executive Director shall not:

1. Appoint, assign, promote, demote, transfer, determine salaries and benefits or select staff for training other than on the basis of merit and suitability for a particular job with no regard for religion, ethnic or national origin, gender, or disability.
2. Operate without written personnel policies that (a) clarify personnel rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
3. Retaliate against any staff member for non-disruptive expression of dissent.
4. Fail to acquaint staff with the Executive Director's interpretation of their protections under this policy.
5. Allow staff to be unprepared to deal with emergency situations.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.4 FINANCIAL PLANNING/BUDGETING

The Executive Director shall not cause or allow financial planning for any fiscal year, or the remaining part of any fiscal year, to deviate materially from the board's Ends priorities, that risks financial jeopardy, or that fails to be derived from a multiyear plan.

Accordingly, the Executive Director shall not allow budgeting that:

1. Risks incurring those situations or conditions described in the Financial Conditions and Activities policy.
2. Fails to secure Board approval of dues and regular or ancillary fees.
3. Omits credible projections of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
4. Provides less for board prerogatives during the year that is set forth in the Cost of Governance policy.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.5 FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities of the Association, the Executive Director shall not cause or allow the development of financial jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly, the Executive Director shall not:

1. Expend more funds that have been received in the fiscal year to date, unless the debt guideline designated in item 2, below, is met.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within sixty days.
3. Fail to build and maintain fiscal reserves, the amounts to be recommended by the Board-appointed auditor and approved by the Board as a part of the budget process each year.
 - a. Strategic Reserves are to be divided into three tiers. Tier One will be the most conservative and liquid, and Tier Three will have a moderate amount of risk to facilitate long term growth. Tier Two will be in between the other two in terms of risk and return expectations.
 - i. Tier One Reserves (unrestricted) are intended to cover operational expenses should a shortfall in income occur. Tier One Reserves are currently maintained at a minimum of \$400,000.
 - ii. Tier Two Reserves (unrestricted) are intended to be used in the event that Tier One reserves have been depleted by a shortfall in income. Tier Two Reserves are currently maintained at a minimum of \$100,000.
 - iii. Tier Three Reserves (restricted principal, unrestricted earnings) are intended to be used to support the strategic direction of the Association. Tier Three Reserves are currently maintained at a minimum of \$400,000.
4. Use any long-term reserves.
5. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered, revenue within thirty days.
6. Fail to settle payroll and debts in a timely manner.
7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
8. Make any unbudgeted purchase or commitment (Note: assumes a contingency fund in the approved budget).
 - a. This restriction shall not apply to funds in grants awarded to the Association for specific purposes.
 - b. This restriction shall not apply to individual school account funds.
9. Acquire, encumber, or dispose of real property.
10. Fail to aggressively pursue receivables after a reasonable grace period.

- a. Fail to advise the Board should receivables become greater than \$100,000.
10. Fail to secure Board approval of the financial institutions in which Association funds are deposited.
11. Execute payments without at least two signatures.
 - a. Authorized individuals are to be designated by the Executive Director and approved by the Board.
 - b. One of the signatures must be the Executive Director's if \$5,000 or over.
 - c. Execute unbudgeted payments of \$25,000 or more without Board approval, which may be secured via email vote of a majority of members.
12. Invest reserve funds in investments which fall outside the parameters of the following AMISA Investment Policy:

I. Investment Objectives

- A. It is the objective of the Board to invest excess AMISA assets in a prudent and responsible manner and within the criteria listed in the Executive Limitations Policies in order to;
 - a. Preserve *Tier One Reserves* against inflationary factors and at levels as prescribed by the Board,
 - b. Maintain *Tier Two Reserves* in high quality income-producing investments as prescribed by the Board,
 - c. Maintain *Tier Three Reserves* in a well-diversified portfolio for long term growth as prescribed by the Board.
- B. The investment objective shall maintain and optimize the return on investment while remaining within acceptable risk levels as determined by the Board and recommended by the authorized Investment Advisor.
- C. The AMISA Board in recognition of the Investment Portfolio as prescribed in section II above shall take a conservative and balanced approach to asset investments. To maintain Reserve Funds a low-risk conservative approach will be taken for Reserves (see Section VI. Asset Allocation).

II. Investment Portfolio

- A. The investment portfolio shall maintain an appropriate level of liquidity in order to address the criteria as listed in section "I.A.A-c" above.
- B. The investment portfolio shall over time, and at an acceptable percentage of its assets, optimize the total rate of return on investment within the Executive Limitations as prescribed by the Board with consideration of the recommendation of the authorized Investment Advisor.

III. Investment Policy Statement (IPS)

This investment portfolio has been established with a long-term focus in mind with the expectation that the assets in this account are not dedicated to any specific short-term objectives, liabilities, operating expenses or funding. This Investment Policy Statement (IPS) has been prepared for the Association. The initial asset allocation strategy may change depending upon the level of grants, operating expenses and future contributions.

The purpose of this IPS is to assist the Association and its Investment Consultant in effectively supervising, monitoring and evaluating the management of the Association's assets. The Association's investment program is defined in the various sections of this IPS by:

- 1 Stating in a written document the Association's attitudes, expectations, objectives and guidelines in the management of their assets.
- 2 Setting forth an investment structure for managing the Association's assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
- 3 Establishing formal criteria to select, monitor, evaluate and compare the performance of money managers on a regular basis.
- 4 Encouraging effective communications between the Association, Managers, and interested parties.
- 5 Complying with all applicable fiduciary, prudence and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Association's assets.

Board of Trustees

As a fiduciary, the primary responsibilities of a Board of Trustees are:

- 1 Prepare and maintain an investment policy statement.
- 2 Prudently diversify the account's assets to meet an agreed upon risk/return profile.
- 3 Monitor investment performance.
- 4 Monitor all investment, record keeping and administrative expenses associated with the accounts.
- 5 Avoid prohibited transactions and conflicts of interest.

Finance Committee:

The Finance Committee will consist of the Board President, Treasurer, and 1-2 additional Board members (with an eye on succession planning) and the AMISA Executive Director. The Finance Committee will annually carry out a review of investments at the second Board

meetings of the year (currently in Atlanta). The Finance Committee is also responsible for the following:

- 1 Setting and revising investment policies that the Board of Trustees must approve.
- 2 Developing investment objectives, asset allocation strategies and performance guidelines.
- 3 Recommending to the Board of Trustees the selection of Investment Consultants, Advisors, Money Managers and Custodians.
- 4 Reviewing and evaluating investment results and approving changes as needed.
- 5 Providing periodic performance reports to the Board.

Investment Consultant:

The Investment Consultant's role is that of a discretionary advisor to the Association. Investment advice concerning the investment management of assets will be offered by the Investment Consultant and will be consistent with the investment objectives, policies, guidelines and constraints established in this investment policy statement.

Specific responsibilities of the Investment Consultant include:

- 1 Assist in the development and periodic review of the investment policy.
- 2 Provide monitoring of the investments to ensure manager compliance with their stated investment objectives.
- 3 Provide the Investment Committee with quarterly performance updates, including any qualitative changes with regards to the managers.

Investment Managers:

Investment managers are responsible for making investment decisions based upon their predetermined process and philosophy. The specific duties and responsibilities of each manager are:

- 1 Manage the assets in accordance with the guidelines and objectives set forth within this investment policy statement, the individual manager's marketing materials and/or that which is reported to institutional investment consultants.
- 2 Use the same care, skill, prudence and diligence under the prevailing circumstances that experienced investment professionals, acting in like capacity, and fully familiar with such matters, would use in like activities for like portfolios, with like aims, in accordance and compliance with the Prudent Investor Rule and all applicable laws, rules, and regulations.
- 3 Adhere to performance expectations cited in Part IV – Portfolio Monitoring and Reporting

Custodian:

Custodians are responsible for the safekeeping of the Association's assets. The specific duties and responsibilities of the custodian are:

- 1 Provide monthly reports that detail transactions, cash flows,

- securities held and their current value, and change in value of each security and the overall portfolios since the previous report.
- 2 Maintain separate accounts by legal registration.
- 3 Value the holdings.
- 4 Collect all income and dividends owed to the Association.
- 5 Settle all transactions initiated by the Investment Managers.

IV. Constraints

Time Horizon:

The investment guidelines for the portfolio are based upon an investment horizon of greater than ten years (or in perpetuity) and interim fluctuations should be viewed with appropriate perspective. As such, the policy allocation should be based upon the appropriate long term time horizon.

Liquidity Requirements:

With liquidity defined as either anticipated or unanticipated needs for cash in excess of contributions, the Association's liquidity requirement is low. Currently, there is not a specific required annual spending requirement in place for the portfolio nor is it expected that the portfolio will incur distributions at this time. With that stated however, the Finance Committee recognizes that circumstances may arise in which the portfolio is called upon to meet unanticipated needs. Therefore, this has been taken into consideration and the Finance Committee has designated that the portfolio maintain an appropriate amount of liquidity.

Taxes:

The taxable implications of the Association are not an issue and tax exempt investments should not be considered for investment unless the risk / return profile of the investment is advantageous to the long-term objectives of the Association.

Legal and Regulatory Issues:

Any external factors imposed by governmental, regulatory or oversight authorities which constrain investment decision making process have been addressed. Prudent Investor Rules apply. The Prudent Investor Rules state that a fiduciary must:

- 1 Make investment and management decisions with respect to individual assets in the context of the investment portfolio as a whole and as part of an overall investment strategy, not in isolation.
- 2 Adhere to fundamental fiduciary duties of loyalty, impartiality, and prudence.
- 3 Maintain overall portfolio risk at a reasonable level. That is, risk and return objectives must be reasonable and suitable to the portfolio. The tradeoff between risk and return is the fiduciary's central concern.
- 4 Provide for the reasonable diversification of investments.
- 5 Act with prudence in deciding whether and how to delegate authority to experts and in selecting supervising agents. Be cost conscious when investing. The fiduciary should incur only costs that are

reasonable in amount and appropriate to the investment responsibilities of the fiduciary.

Unique Circumstances:

Unique circumstances may include guidelines for social or special purpose investing; assets legally restricted from sale; directed brokerage arrangements; and privacy concerns. Additionally, assets held outside the investment portfolio and not otherwise considered within this investment policy should be listed here.

Part V. Asset Allocation

In consultation with Association’s Finance Consultant, the Finance Committee has determined the following Asset Allocation for each Tier.

Tier One	Lower Limit	Strategic Allocation	Upper Limit
Fixed Income	0%	0%	50%
Alternatives	0%	0%	25%
Cash/Money Market/CDs	50%	100%	100%

Tier Two	Lower Limit	Strategic Allocation	Upper Limit
Large-Cap Domestic Stocks	0%	0%	15%
Small- to Mid-Cap Domestic Stocks	0%	0%	5%
International Stocks	0%	0%	5%
Fixed Income	50%	85%	85%
Alternatives	0%	0%	20%
Cash/Money Market/CDs	0%	15%	15%

Tier Three	Lower Limit	Strategic Allocation	Upper Limit
Large-Cap Domestic Stocks	20%	40%	45%
Small- to Mid-Cap Domestic Stocks	5%	5%	20%
International Stocks	0%	16%	25%
Fixed Income	25%	36%	60%
Alternatives	0%	0%	10%
Cash/Money Market/CDs	0%	3%	20%

Part VI. Spending Policy

The following guidelines are to be applied to spending from invested reserves.

1. The annual spending policy is set at **up to 5%** of the market value of AMISA’s invested reserves using a three year rolling average of market values as of the last business day of each applicable fiscal year.

2. The Executive Director will make proposals for the use of these funds to support strategic projects and initiatives for the benefit of AMISA and its members for approval by the Finance Committee.
3. The funds, once approved, will be set aside in short-term liquid investments.
4. The ED will prepare an annual report of use and impact of these funds for the Finance Committee, Board and to share with the general membership.

Frequency of Policy Review:

The Finance Committee will use each of its periodic investment performance evaluations as occasions to also consider whether any elements of existing policy are either insufficient or inappropriate. At a minimum however, the investment policy will reviewed annually. Environmental or operational occurrences which could result in policy modification include:

- Significant changes in expected patterns of the Association's obligations
- Impractical time horizons
- Change in the Association's priorities, as set by the Board of Trustees
- Convincing arguments for change presented by the Investment Consultant;
and
- Areas found to be important, but not covered in the Investment Policy

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.6 EMERGENCY EXECUTIVE
DIRECTOR SUCCESSION

In order to protect the board from sudden loss of Executive Director services, the Executive Director shall not permit there to be fewer than one other executive sufficiently familiar with board and Executive Director issues and processes be able to take over with reasonable proficiency as an interim successor.

Accordingly, the Executive Director shall not:

1. Fail to maintain a regularly updated Annual Planning Calendar that it accessible to the AMISA Board.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.7 ASSET PROTECTION

The Executive Director shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the Executive Director shall not:

1. Fail to adequately ensure theft and casualty losses and liability losses to board members, staff, and the organization itself.
2. Allow un-bonded personnel access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its board, or staff to claims of liability.
5. Make any purchase (a) wherein normally prudent protection has not been given against conflict of interest; (b) of more than \$5000 without having obtained comparative pricing and quality; (c) of more than \$5000 without a stringent method of assuring the balance of long-term quality and cost.
 - a. Orders shall not be split to avoid these criteria.
 - b. These limitations shall not apply to purchases made for member schools through their accounts.
6. Fail to protect intellectual property, information, and files from loss or significant damage.
7. Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
8. Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisors.
9. 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.
10. Endanger the organization's public image or credibility, or its ability to accomplish Ends.
11. Change the organization's name or substantially alter its identity in the community.
12. Create or purchase any subsidiary.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.8 COMPENSATION AND BENEFITS

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Executive Director shall not cause or allow jeopardy to financial integrity or public image.

Accordingly, the Executive Director shall not:

1. Change his/her own compensation and benefits, except as those benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create obligations over a longer term than for which revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.
5. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
 - a. Incur un-funded liabilities.
 - b. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited.
 - c. Allow any employee to lose benefits already accrued from any foregoing plan.
 - d. Treat the Executive Director differently from other key employees.

POLICY TYPE: 3.0 EXECUTIVE LIMITATIONS
POLICY TITLE: 3.9 COMMUNICATION AND SUPPORT TO THE BOARD

The Executive Director shall not permit the board to be uninformed or unsupported in its work.

Accordingly, the Executive Director shall not:

1. Neglect to submit monitoring data required by the board in Board-Management Delegation: Monitoring Executive Director Performance policy in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored and including the Executive Director's interpretations consistent with Board-Management Delegation: Delegation to the Executive Director policies as well as relevant data.
2. Allow the board to be unaware of any actual or anticipated non-compliance with any Ends or Executive Limitations policies of the board, regardless of the board's monitoring schedule.
3. Allow the board to be without decision information required periodically by the board or let the board be unaware of relevant trends.
4. Let the board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
5. Allow the board to be unaware if and when, in the Executive Director's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the working relationship between the board and the Executive Director.
6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation and other.
7. Allow the board to be without a workable mechanism for official board, officer, or committee communications.
8. Deal with the board in a way that favors or privileges certain board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
9. Fail to submit as items for the Consent Agenda those matters delegated to the Executive Director yet required by law, regulation or contract to be board-approved, along with applicable monitoring information.

POLICY TYPE: 4.0 GLOBAL ENDS POLICY

AMISA Schools will receive beneficial and cost-effective support services consistent with budget revenues and expenditures.

Instructional:

Latin American Administrators' Conference
Principals' Conference
Fall Educators' Conference
Spring Conference (counselor, librarians, Technology)
AP Workshops

Management and Operations:

Business Managers' Conference
Recruiting Fair
Resource Procurement/Purchasing and Shipment of School Supplies
Financial Management Services for Schools
Salary and Tuition Survey
Resource
Foundation Management

Governance:

School Board & Heads' Conference

Communication:

Membership Directory
Peer and collegial relationships
Recognition
Linkages with other organizations

POLICY TYPE: 4.1 STRATEGIC ENDS

STRATEGIC GOAL #1: AMISA member schools will be satisfied with programs and services that are delivered.

Strategic Objectives:

- a. At least 85% of member schools will see AMISA services as cost effective for them.
- b. At least 85% of member schools will see the range of services AMISA offers as meeting their expectations.
- c. At least 85% of member schools will say that AMISA services are of high quality.
- d. At least 85% of member schools will see AMISA professional development programs/conferences as cost effective for them.
- e. At least 85% of member schools will see the range of professional development programs/conferences AMISA offers as meeting their expectations.
- f. At least 85% of member schools will say that AMISA professional development programs/conferences are of high quality.
- g. At least 85% of AMISA members will say that AMISA professional development programs contribute to the improvement of their educational programs.
- h. At least 85% of AMISA members will say that they are generally satisfied with their membership in AMISA.

STRATEGIC GOAL #2: AMISA membership will be large enough to assure critical mass for program support.

Strategic Objectives:

- a. At least 75% of total income will come from membership dues and program/service fees.
- b. Every service must be self-supporting within five years of inception.

STRATEGIC GOAL #3: AMISA's image will reflect its mission and vision.

Strategic Objectives:

- a. At least 85% of member schools will describe AMISA as a membership-driven organization.
- b. At least 85% of member schools will describe AMISA as responsive to member needs.
- c. At least 85% of member schools will describe AMISA as a dynamic, forward thinking organization.
- d. At least 85% of member schools will describe AMISA as a leader in international education.
- e. At least 85% of identified external organizations will describe AMISA as a dynamic, forward thinking organization.
- f. At least 85% of identified external organizations will describe AMISA as a leader in international education.