



CHILDREN'S TRUST
OF ALACHUA COUNTY

CHILDREN'S TRUST - GOVERNANCE COMMITTEE MEETING MINUTES

October 12, 2021 at 1:00 PM

CTAC, 802 NW 5th Ave, Gainesville, FL 32601

Call to Order

Chair Maggie Labarta called the meeting to order at 1:00 PM.

Roll Call

PRESENT

Chair Maggie Labarta

Vice Chair Lee Pinkoson

Agenda Review, Revision and Approval

Approval of the agenda and minutes.

1. 9.23.21 - Governance Committee Meeting Minutes

Discussion

2. General Administration

The Committee used a sample governance manual, offered by Chair Labarta from Meridian, to choose and modify portions that could be incorporated into CTAC's policies and structures. Discussions surrounded board member responsibilities, evaluations, expectations, limitations, the roles of officers and the Board as a whole. Sections also touched on the conduct and principles of the board, their delegation avenues, term limits, and nominating procedures for officers. The Executive Director role was also further defined in regards to accountability, performance evaluations, and limitation policies.

Trust Counsel was asked to ensure that these processes adhered to all Florida Laws and to provide applicable sections of the Statutes to incorporate into the documents.

General Public Comments

Next Meeting Dates

November 16, 2021 from 1:00 pm

December 9, 2021 from 1:00 pm

Adjournment

Chair Maggie Labarta adjourned the meeting at 2:08 PM.

Attendees

Colin Murphy – Executive Director

Bob Swain – Trust’s Attorney

Nicole Odom – Fiscal Assistant

Kristy Goldwire – Director of Program
Operations

Ashley Morgan-Daniel – Clerk of the Trust

DRAFT



TABLE OF CONTENTS

CHAPTER I. GOVERNANCE PROCESS Error! Bookmark not defined.
I. A. GLOBAL GOVERNANCE PROCESS 2
I. A.1 GLOBAL GOVERNANCE PROCESS: Sunshine Law Compliance 3
I. C. ROLE OF THE BOARD 4
I.C.1 ROLE OF BOARD: Board Member Responsibilities 5
I.C.3. ROLE OF BOARD: Evaluation of Board Performance 6
I.D. AGENDA PLANNING 7
I.E. BOARD CHAIR'S ROLE 8
I.F. BOARD SECRETARY'S ROLE 9
I.G. BOARD VICE CHAIR'S ROLE 10
I.H. BOARD MEMBER'S CODE OF CONDUCT 11
I.H.1 BOARD MEMBER CODE OF CONDUCT: Conflict of Interest 12
I. H.2 BOARD MEMBER'S CODE OF CONDUCT: Fundraising Activities by Board Members 15
I.H.3 BOARD MEMBER'S CODE OF CONDUCT: Background Screening 19
I.H.4 BOARD MEMBER'S CODE OF CONDUCT: Attendance 20
I.I. BOARD COMMITTEE PRINCIPLES 21
I.I.1 BOARD COMMITTEE PRINCIPLES: Executive/Audit Committee 22
I.I.2 BOARD COMMITTEE PRINCIPLES: Nominating Committee 23
I.J. COST OF GOVERNANCE 25
CHAPTER II. BOARD MANAGEMENT DELEGATION Error! Bookmark not defined.
II.A. GLOBAL BOARDS MANAGEMENT DELEGATION 26
II.B. UNITY OF CONTROL 27
II.C. ACCOUNTABILITY OF THE CEO 28
II. D. DELEGATION TO THE CEO 29
II.E. MONITORING CEO PERFORMANCE 30
CHAPTER III. EXECUTIVE LIMITATIONS POLICIES Error! Bookmark not defined.
III.A. GENERAL EXECUTIVE CONSTRAINT 31
III.A.1 GENERAL EXECUTIVE CONSTRAINT: Compliance, Risk Management, & Quality Improvement 32
III. A.2 GENERAL EXECUTIVE CONSTRAINT: Communication and Counsel to the Board 34
III.A.3 GENERAL EXECUTIVE CONSTRAINT: Services 35
III.A.4 GENERAL EXECUTIVE CONSTRAINT: Client Rights 36
III.A.5 GENERAL EXECUTIVE CONSTRAINT: Planning 38
III.A.6 GENERAL EXECUTIVE CONSTRAINT: Public Relations 39
III.A.7 GENERAL EXECUTIVE CONSTRAINT: Public Representation 40
III.B. FINANCIAL CONDITION 41
III.B.1 FINANCIAL CONDITION: Budgeting 42
III.B.2 FINANCIAL CONDITION: Competitive Bids/Procurement – Supplies, Goods, & Services 43
III.B.3 FINANCIAL CONDITION: Asset Protection 44
III.B.4 FINANCIAL CONDITION: Facilities and Capital Assets 45
III.B.5 FINANCIAL CONDITION: Reserve Funds 46
III.B.6 FINANCIAL CONDITION: Investment Policy 47
III.C. HUMAN RESOURCES 53
III.C.1 HUMAN RESOURCES: Compensation and Benefits 54
III.C.2 HUMAN RESOURCES: Staff Treatment 55
III.C.3 HUMAN RESOURCES: Emergency/Interim Executive Succession 56
III.D. FUNDRAISING: Code of Ethics 57
CHAPTER IV. ENDS POLICIES 58
IV.A. STRATEGIC PLAN AS ENDS POLICIES 58



I. A.1 GLOBAL GOVERNANCE PROCESS: Sunshine Law Compliance

Effective: 12/12/2011, Rev. 01/03/2012; Deleted 2/7/2017

I. B. GOVERNING STYLE

Effective: 9/2/2008, Rev. 03/03/2009; Rev. 5/3/2016; Rev. 2/7/2017

Policy:

The Board will govern lawfully, observing the principles of the Policy Governance® model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of the Board and chief executive roles, (e) collective rather than individual decisions, (f) future focus rather than past or present, and (g) proactivity rather than reactivity.

Accordingly,

The Board will cultivate a sense of group responsibility. The Board, not the staff will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual members to substitute for the judgement of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.

- 1. The Board will direct, control, and inspire the organization through the careful establishment of Board written policies reflecting the Board's values and perspectives.
2. The Board will enforce upon itself whatever discipline is needed to govern with excellence.
3. Continual Board development will include orientation of new Board members by the Chairperson and the CEO/President on the Board's governance process and periodic Board discussion of process improvement.
4. The Board will allow no officer, individual, or Committee of the Board to hinder or be an excuse for not fulfilling group obligations.
5. The Board will monitor and discuss the Board's process and performance as needed, but at least annually.
6. The Board shall provide training and opportunities to ensure succession as well as promotion whenever possible.
7. The Board will ensure that it operates in accordance with its by-laws and that the bylaws are reviewed periodically to ensure their consistency with Meridian's needs with respect to the number of Board members, terms for members and officers, and Committees, as well as attendance and any other relevant matters.



CHAPTER I. GOVERNANCE PROCESS

I. A. GLOBAL GOVERNANCE PROCESS

Effective: 8/5/2008, Rev. March 2009, Rev. 5/3/2016; Rev. 2/7/2017

Policy:

The purpose of the Board, on behalf of those receiving service, is to see to it that Meridian Behavioral Healthcare, Inc. (a) achieves appropriate results for targeted populations at an appropriate cost (as specified in Board Ends Policies/Strategic Plan policies), and b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies), ensures membership and governance process is sufficient to effectively carry out the governance function.

The primary focus of Meridian is promoting the health, recovery, and wellbeing of those affected by mental illnesses and substance use disorders. Meridian recognizes that effectively addressing these problems may require supportive services and activities as well as community engagement.

Meridian's mission is:

To promote the health, recovery, and wellbeing of those affected by mental illnesses and substance use disorders through prevention, coordinated treatment, and supportive services.

Meridian's vision is:

Hope, recovery, and wellness within everyone's reach.

Meridian's actions are guided by these values:

- Collaboration
• Efficiency and Effectiveness
• Initiative
• Innovation and Growth
• Integrity
• Accountability



I. C. ROLE OF THE BOARD

Effective: 9/2/2008, Rev. 03/02/2010, Rev. 2/7/2017

Policy:

The organization of the Board shall be drawn from the bylaws of the corporation. Specific job outputs of the Board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the Board will

- 1. Serve as a link between the community and Meridian.
a. Meridian will annually publish a Report to the Community presenting information about its services and the communities' expenditures.
b. Meridian will present information to each County in its core service area regarding its services to residents of that county, funding of those services, the outcomes achieved, and the needed county financial support for services.
c. The Board will represent Meridian to County and other stakeholders, using the data made available by staff and advocate for the continued and increasing support for its vital community mission.
d. The Board will review data presented by staff that reflects the services provided, outcomes and costs of those services recognizing its role in ensuring effectiveness and efficiency.
2. Provide governance to the organization through written policies that realistically address the broadest levels of all organizational decisions and situations.
a. Ends Policies/Strategic Plan: Organizational impacts, benefits, outcomes; recipients, beneficiaries, impacted groups; and their relative in worth in cost or priority.
b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
c. Governance Process: Specification of how the Board conceives, carries out, and monitors its own task.
d. Board- Management Delegation: How power is delegated and its proper use monitored; the CEO role, authority, and accountability.
3. Provide assurance of successful organizational performance on Ends Policies/Strategic Plan and Executive Limitations.
4. Accept ultimate legal authority for the organization.
5. Evaluate its effectiveness as a Board and that of individual Board members at least annually, or as necessary to ensure the ability to meet its responsibilities.



I.C.1 ROLE OF BOARD: Board Member Responsibilities

Effective: 9/2/2008, Rev. 03/02/2010; Rev. 5/3/2016

Policy:

In order to carry out the functions of the Board, individual member contributions are essential. The following duties are the essential responsibilities of Board members.

1. Be informed of the services and programs provided by the organization and publicly support it.
2. Be aware of and abstain from conflicts of interest.
3. Participate in the development of governance policies.
4. Participate in the development of long and short term goals and objectives.
5. Promote the organization through community networking and other agreed methods.
6. Be accountable to funders and accrediting bodies for programs and services and funds expended.
7. Monitor and evaluate the effectiveness of the organization through regular review of information and reports.
8. Provide candid, constructive criticism and advice and comments.
9. Approve major actions of the organization such as capital expenditure and major service/program changes.
10. At least annually review the performance of the Board and take steps to improve its performance.
11. Serve on Committees or in Board office, if called upon to do so.
12. Foster a positive working relationship with other Board members and staff.
13. Prepare for and participate in the discussions and deliberations of the Board.



I.D. AGENDA PLANNING

Effective: 9/2/2008; Rev. 5/3/2016; Rev. 2/7/2017

Policy:

To efficiently perform its duties consistent with Board policies, the Board will follow an annual calendar that (a) includes a re-evaluation and approval of Ends Policies/Strategic Plan annually and (b) continually improves Board performance through Board education and enriched input and deliberation.

1. The cycle will conclude each year on the last day of February 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 Policies/Strategic Plan.
2. The cycle will start with the Board's development of its agenda for the next year.
 - a. Consultations with selected groups in the community, or other methods of gaining stakeholder 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 goal setting will be arranged in the first quarter, to be held during the balance of the year.
3. A Board member may recommend or request an item for Board discussion by submitting the item to the Chairperson no later than five days before the Board meeting.
4. Throughout the year, the Board will attend to consent agenda items as expeditiously as possible.
5. CEO 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.
 - a. Presentation by the CEO or staff of data, reports, or other information related to the Strategic Plan or monitoring by external entities is part of the CEO evaluation process.



I.C.3. ROLE OF BOARD: Evaluation of Board Performance

Effective: 9/2/2008, Rev. 03/02/2010; Rev. 5/3/2016

Policy:

It is the Board's policy to evaluate its effectiveness as a Board at least annually to ensure it is (a) performing tasks it has set out for itself in Policy; (b) meetings are organized so as to be efficient and effective, and (c) to allow members to evaluate their own performance and contribution.

1. Staff will provide the Board with a summary of those tasks, the activities, discussions, and actions taken by the Board to discharge those responsibilities, and an opportunity to rate those each year, according to the Board's established calendar.
2. At each meeting, a Meeting Evaluation Form will be provided. It will be summarized and placed on the Consent Agenda for the subsequent meeting unless scores drop below an average of 4, in which case it will on the discussion agenda.
3. Once annually, the Board will be provided with a self-evaluation tool that reflects the Board Member Responsibilities (Governance Policy I.C.1.) in order for them to assess their own performance.



I.E. BOARD CHAIR'S ROLE

Effective: 09/02/2008; Rev. 5/3/2016

Policy:

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

1. The assigned result of the Chair's job 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 or to monitor.
 - 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 Chair consists in making decisions that will fall within topics covered by the Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of a CEO and (b) where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The Chair is empowered to chair Board meetings with all the commonly accepted power of the position, such as ruling, and recognizing.
 - b. The Chair has no authority to make decisions about policies created by the Board within Ends Policies/Strategic Plan and Executive Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the CEO.
 - c. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decision and interpretations within the area delegated to that role.
 - d. The Chair may delegate this authority, but remains accountable for its use.
 - e. The Chair will also be a member of the Executive Committee, which also includes but is not limited, to the Vice Chair and Secretary to the Board.
 - f. The Chair represents the Board and Meridian at public events, advocating for our mission, reporting on goals and accomplishments, thereby promoting Meridian in the Community.
 - g. The Chair signs contracts under the jurisdiction for the Board and subject to its approval.

**I.F. BOARD SECRETARY'S ROLE**

Effective: 09/02/2008; Rev. 5/3/2016; Rev. 2/7/2017

Policy:

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 recognitions need not be placed in policy.
 - b. Policies will generally follow Policy Governance principles.
 - c. Bylaw 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 CEO.
 - e. The Secretary will also be a member of the Executive Committee, which includes but is not limited to the Chair, Vice Chair and Secretary, to the Board.
2. The authority of the secretary is access to and control over Board documents, and the use of staff time in this regard.

**I.H. BOARD MEMBER'S CODE OF CONDUCT**

Effective: 5/7/2016

Policy:

The Board of Meridian Behavioral Healthcare is to act in the best interests of Meridian. Board members recognize their responsibilities as corporate fiduciaries in all actions relating their participation on the Board and representation of Meridian in the community.

Each Board member is required to be cognizant of his/her duties to exercise

1. Duty of care – A director performs his/her duties as a director in good faith, in a manner that s/he believes to be in the best interests of the corporation and with the care that an ordinarily prudent person in like position would use in similar circumstances;
2. Business Judgment
 - a. Limit decisions to those that are within the scope of the director's governance capacity;
 - b. Not participating in decisions that accrue personal benefit;
 - c. Exercise due care (diligence);
 - d. Do not over-reach or abuse discretion.
3. Diligence
 - a. Require sufficient information be provided to make informed decisions;
 - b. Critically examine information;
 - c. Take sufficient time;
 - d. Exercise independent judgment;
 - e. Ensure CEO performance and qualifications are evaluated periodically, at least annually;
 - f. Ensure adequate and frequent review of finances and financial matters.
4. Vigilance, collective and individual
 - a. Keeping up to date;
 - b. Regularly attending meetings;
 - c. Reading and understanding material provided by staff;
 - d. Actively participating in decision-making;
 - e. Asking questions;
 - f. Giving careful consideration to minutes.
5. Obedience
 - a. Ensure compliance with applicable federal and state laws and regulations (e.g., IRS, Legal filings, and governing documents);
 - b. Adherence to by-laws and governing documents.

**I.G. BOARD VICE CHAIR'S ROLE**

Effective: Dev. 9/2/2008; Rev. 01/03/2012; Rev. 5/3/2016

Policy:

The Board Vice-Chair serves as an officer of the Board and assists the Chair in ensuring that the Board operates in accordance with applicable bylaws and policy governance responsibilities.

1. The Vice Chair shall assist and support the Board Chair in accomplishing his or her tasks by
 - a. The Vice Chair assists to provide leadership to the Board;
 - b. Ensures that the Board complies with applicable bylaws and conducts Board business effectively and efficiently in the absence of the Chair.
2. The Board Vice Chair serves on the Board Committees specified in the bylaws and in this role will
 - a. Preside at all meetings of the Board and at all meetings of the Executive Committee in the absence of the Chairperson;
 - b. Is a member of the Executive Committee;
3. The Board Vice Chair will be an acting Board Chair designate in the absence of the Chairperson
 - a. The Vice Chair shall perform all the duties and carry out all responsibilities of the Chair with full authority during his/her continued absence.
 - b. The Vice Chair, when the Chair or CEO is unavailable, may sign contracts under the jurisdiction of the Board, subject to its approval.
 - c. The Vice Chair may represent the Board to outside parties.

**I.H.1 BOARD MEMBER CODE OF CONDUCT: Conflict of Interest**

Effective: Dev. 03/03/2009; Revised 5/3/2016

Policy:

The purpose of the conflict of interest policy is to protect Meridian Behavioral Healthcare, Inc.'s (Hereafter referred to as Meridian) interest when it is contemplating entering into a transaction or an arrangement that might benefit the organization. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions

1. **Interested Person**- Any director, principle officer, or member of a Committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest**- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which Meridian has a transaction or arrangement.
 - b. A compensation arrangement with Meridian or with any entity or individual with which Meridian has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Meridian is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board or Committee decides that a conflict of interest exists.

Procedures

1. **Duty to Disclose** – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and/or members of Committees assigned to consider the proposed transaction or arrangement.
2. **Determining whether a Conflict of Interest Exists**- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists.
3. **Procedures for addressing the Conflict of Interest**-
 - a. An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. Similarly, any other interested persons with a possible conflict of interest pertaining to a financial interest shall also leave the meeting.



- b. The chairperson of the Board shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or Committee shall determine whether Meridian can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to the conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Meridian's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. Records of Proceedings

The minutes of the Board and all Committees with Board delegated powers shall contain:

- a. The names of the person who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Committees decision as to whether a conflict of interest in fact existed.
- b. The Names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6. Compensation

A voting member of the Board who receives compensation, directly or indirectly, from Meridian for services is precluded from voting on matters pertaining to that member's compensation and on voting on other members' compensation.

A voting member of any Committee whose jurisdiction includes compensation matters and who received compensation, directly or indirectly, from Meridian for services is precluded from voting on matters pertaining to that member's compensation and on voting on other members' compensation.



I. H.2 BOARD MEMBER'S CODE OF CONDUCT: Fundraising Activities by Board Members

Effective: 03/03/20098; Rev. 5/3/2016

Policy:

These standards are attached for reference. Generally, Directors who are soliciting funds shall not fail to:

- a. Practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust.
- b. Act according to the highest goals and visions of their organizations, professions, clients and consciences.
- c. Put philanthropic mission above personal gain;
- d. Inspire others through their own sense of dedication and high purpose
- e. Improve their professional knowledge and skills, so that their performance will better serve others.
- f. Demonstrate concern for the interests and well-being of individuals affected by their actions.
- g. Value the privacy, freedom of choice and interests of all those affected by their actions.
- h. Foster cultural diversity and pluralistic values and treat all people with dignity and respect.
- i. Affirm, through personal giving, a commitment to philanthropy and its role in society.
- j. Adhere to the spirit as well as the letter of all applicable laws and regulations.
- k. Advocate within their organizations adherence to all applicable laws and regulations.
- l. Avoid even the appearance of any criminal offense or professional misconduct.
- m. Bring credit to the fundraising profession by their public demeanor.
- n. Encourage colleagues to embrace and practice these ethical principles and standards.
- o. Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

Each Board member will review and sign a document attesting to their adherence to this code (Attachment A).

Board members shall complete a disclosure form at appointment and then annually, in which they disclose any affiliations or relationships that might pose a conflict of interest. (See Governance Policy I.G.2.)



No voting member of the Board or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Meridian, either individually or collectively, is prohibited from providing information to any Committee regarding compensation.

7. Annual Statements- Each director, principal officer and member of a Committee with Board delegated powers shall annually sign a statement which affirms such person:

- a. Has read and understands the policy,
- b. Has agreed to comply with the policy, and
- c. Understands Meridian is a charitable organization as defined in 501(c) (3) CFR and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8. Periodic Reviews- Each year the Board will review potential conflicts and each Board member shall complete a disclosure form (Attachment A).



ATTACHMENT A: Guidelines and Standards of the Associations of Fundraising Professionals

- 1. Meridian shall not engage in activities that harm the organization, clients or profession.
- 2. Meridian shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to the organization, clients or profession.
- 3. Meridian shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
- 4. Meridian shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the organization.
- 5. Meridian shall comply with all applicable local, state, provincial and federal civil and criminal laws.
- 6. Meridian recognizes their individual boundaries of competence and is forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
- 7. Meridian shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
- 8. Meridian shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.
- 9. Meridian shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Meridian shall address and rectify any inadvertent infringement that may occur.
- 10. Meridian shall protect the confidentiality of all privileged information relating to the provider/client relationships.
- 11. Meridian shall refrain from any activity designed to disparage competitors untruthfully.

Solicitation and Use of Philanthropic Funds

- 12. Meridian shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.



- 13. Meridian shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
- 14. Meridian shall take care to ensure that contributions are used in accordance with donors' intentions.
- 15. Meridian shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
- 16. Meridian shall obtain explicit consent by donors before altering the conditions of financial transactions.

Presentation of Information

- 17. Meridian shall not disclose privileged or confidential information to unauthorized parties.
- 18. Meridian shall 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 and shall not be transferred or utilized except on behalf of that organization or client.
- 19. Meridian shall 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. Meridian shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved.

Compensation and Contracts

- 21. Meridian shall 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. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
- 22. Meridian may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
- 23. Meridian shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
- 24. Meridian shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.



I.H.3 BOARD MEMBER'S CODE OF CONDUCT: Background Screening

Effective: Dev. 10/04/2011; Rev. 5/3/2016; Rev. 3/6/2018

Policy:

In order to ensure the integrity of Meridian's governance and to comply with legal requirements for certain contracts, members of and applicants to Board seats may be background screened at appointment and every 5 years thereafter. The background screening includes fingerprints, FDLE, a local and FBI clearance. The background screening is conducted through Meridian's Human Resources Department.

Board members and applicants will sign consent for this screening. Anyone unwilling to be screened will be ineligible for retention or membership.



- 25. If Meridian receives funds on behalf of a donor or client, Meridian must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

Donor 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 ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in Meridian Behavioral Healthcare and the causes they are asked to support, Meridian has adopted AFP's Donor Bill of Rights, which declares that all donors have the right:

- 1. To be informed of Meridian's mission, of the way Meridian intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- 2. To be informed of the identity of those serving on Meridian's governing Board, and to expect the Board to exercise prudent judgment in its stewardship responsibilities.
- 3. To have access to Meridian's most recent financial statements.
- 4. To be assured their gifts will be used for the purposes for which they were given.
- 5. To receive appropriate acknowledgement and recognition.
- 6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- 7. To expect that all relationships with individuals representing Meridian will be professional in nature.
- 8. To be informed whether those seeking donations are volunteers, employees of Meridian or hired solicitors.
- 9. To have the opportunity for their names to be deleted from mailing lists that Meridian may intend to share.
- 10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



I.H.4 BOARD MEMBER'S CODE OF CONDUCT: Attendance

Effective: Dev. 5/3/2016

Policy:

The Board recognizes that it can carry out its functions only if members attend consistently.

- 1. Board by-laws provide that a member be automatically discharged from the Board if s/he misses more than five (5) regularly scheduled meetings within a fiscal year.
- 2. The Board meets eight (8) times for regular meetings, once for its Annual meeting, and once for a planning retreat.
- 3. Meetings are the first Tuesday of the month, unless otherwise determined by the Board Chair, and alternate between Lake City and Gainesville.
- 4. Attendance may be electronic. Meridian provides voice and data access so members can communicate effectively during the meeting and see all materials being presented and discussed.
- 5. Cancelled meetings are counted as "attended" for compliance purposes.



I.I. BOARD COMMITTEE PRINCIPLES

Effective: 09/02/2008, Rev 3/2/2010; Rev. 5/3/2016

Policy:

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 CEO.

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 the implications thereof for Board deliberation. In keeping with the Board's broader focus, Board Committees will normally not have direct dealing with current staff operations. Committees will be used sparingly and ordinarily in an ad hoc capacity.
 - a. Board Committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations will be carefully stated in order not to conflict with authority delegated to the CEO.
 - b. Board Committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain approval of a Board Committee before an executive action.
 - c. 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 subject.
2. This policy applies to any group that is formed by Board action, whether or not it is called a Committee and regardless of whether the group includes Board members. It does not apply to Committees formed under the authority of the CEO
3. Actions taken by Executive Committee in an exigent situation where the full Board could not be convened shall be ratified by the full Board at the next scheduled meeting.
4. The Board maintains only an Executive Committee as a standing Committee, consistent with its Bylaws. The Executive Committee serves as the Audit Committee and is empowered to accept the findings of the Independent Audit, when necessary to meet deadlines outside Meridian's control.
5. At least annually, the Board convenes a Nominating Committee to propose a slate and address Board vacancies and expiring terms.



I.I.2 BOARD COMMITTEE PRINCIPALS: Nominating Committee

Effective: Dev. 03/02/2010; Rev. 5/3/2016; Rev. 2/7/2017; Rev. 5/21/2018

Policy:

The Chairperson of the Board will appoint a Nominating Committee each year in September. The Committee will serve for the entire year, September through August. The nominating Committee has four (4) responsibilities. (1) Nominating a slate of officers (2) recommending two at large members from the Board to serve on the Executive/Audit Committee, (3) making recommendations with regards to re-appointments of Board members with expiring terms, (4) reviewing applications for membership when there are vacancies.

1. Proposing a Slate of officers – Officers include the Chair, Vice-Chair and Secretary and Serve in that capacity for one year.
 - a. In proposing the slate, the Committee is charged with
 - i. Recommending members that collectively meet the needs of the corporation with regard to expertise, past performance as Board members, and commitment to mission, vision, and values.
 - ii. Ensuring that proposed officers are willing to serve
 - b. The proposed slate is presented at the October meeting and voted upon at the November meeting
2. At Large seats on Executive Committee.
 - a. The Executive/Audit Committee is comprised of the Officers plus two additional from the Board.
 - b. The Nominating Committee is charged with recommending these members for the Executive/Audit Committee.
 - i. Consideration should be given to members who might be interested in becoming officers
 - ii. Ensuring those proposed are willing to serve
3. Because the Executive/Audit Committee meets with the Auditors annually, the slate and/or at large members should include individuals with expertise and interest in financial matters.
4. Vacant and expiring terms
 - a. Board terms are for three years. Terms should, expire in December, thus reappointments should be considered along with nominations for officers and Executive/Audit Committee members.
 - b. Board vacancies may occur from time to time. Directors and Executive staff are encouraged to seek out community members and present their names for consideration when vacancies occur. The Nominating Committee may be convened to address vacancies, or in response to a referral from another Director or from staff, in order to fill vacancies on the Board.
 - i. At Board members' request, staff will contact a prospective Board member and provide information about the center.
 - ii. The Board Chair and CEO will meet with prospective members to further explain the Center's work and Director responsibilities
 - c. When evaluating an application from a proposed member, the Nominating Committee should consider the following with regard to the Applicant:
 - i. Concern for and desire to contribute to Meridian's mission and vision;
 - ii. Willingness to contribute time and expertise to Meridian;
 - iii. Willingness to advocate on behalf of Meridian and its funding;
 - iv. willingness to assist with Meridian's fund-raising efforts;
 - v. Ability to prepare for and attend Board and Committee meetings Ability to listen, analyze, think clearly and creatively;
 - vi. Ability to work well with people individually and as a group;
 - vii. Willingness to be responsible and accountable;
 - viii. Personal integrity, honesty, and comfort with Meridian's values;
 - ix. The ability to provide unrelated, independent representation that is free from undisclosed conflicts of interest;
 - x. Contribution to the Board terms of needed expertise, community/business ties, diversity, or experience. For existing Board members, this can be based on Board and member evaluations.



I.I.1 BOARD COMMITTEE PRINCIPALS: Executive/Audit Committee

Effective: 03/02/2010, Rev. 02/07/2012

Policy:

1. The Executive Committee functions are defined In the By-laws:
 - a. The Executive Committee may exercise the authority of the Board in between meetings of the Board.
 - b. The Executive Committee shall have full authority to take action if any emergency arising between regular meetings and shall assist the Chairperson in formulating plans and making recommendations to the Board.
 - c. The Executive Committee shall serve as the Audit Committee.
 - d. May recommend employment of a CEO to the Board.
 - e. Annually evaluate the performance and compensation of the CEO, in accordance with Board Policy II.E.
2. In its audit Committee capacity, the Executive Committee
 - a. Is responsible for engaging and serving as the liaison to Meridian's independent financial auditors. The Committee works with management to bid out the audit function and select an appropriate firm.
 - b. Should meet, prior to each year's audit, with the Audit Partner to make sure the Board understands the scope and limitations of the work and has the opportunity to present the auditors with any areas of concern that the Board may have.
 - c. Must meet with the auditors and receive and accept findings (this may be done as a separate part of a regular Board meeting). As part of that review, the Executive/Audit Committee should inquire at a minimum about the following areas:
 - i. Does any business relationships with any of Meridian's staff or vendors that could in any way impact the independence of the audit team?
 - ii. Having completed the audit, is the audit team assured it was adequately staffed and experienced to thoroughly perform this audit?
 - iii. Was management and staff at Meridian cooperative with the auditors?
 - iv. During the audit was the audit firm asked to re-state any of the financial statements or schedules to create a particular result?
 - v. Were there any accounting estimates made by management that the auditors considered unreasonable?
 - vi. Were there any disagreements with management about Meridian's accounting practices?
 - vii. Are there any suggestions/concerns over Meridians internal controls? It's reporting by management to the Board or others? It's financial or accounting policies or practices?
 - viii. Any other questions the Board may have that arise from the presentation made by the auditors.
3. Executive/Audit Committee composition
 - a. Current Board officers
 - b. Past Chairperson
 - c. Two additional Directors appointed by the Board.
4. Because of the Executive Committee's function as the audit Committee, the Committee shall, as much as is feasible, include a member with financial expertise.



- i. Concern for and desire to contribute to Meridian's mission and vision;
 - ii. Willingness to contribute time and expertise to Meridian;
 - iii. Willingness to advocate on behalf of Meridian and its funding;
 - iv. willingness to assist with Meridian's fund-raising efforts;
 - v. Ability to prepare for and attend Board and Committee meetings Ability to listen, analyze, think clearly and creatively;
 - vi. Ability to work well with people individually and as a group;
 - vii. Willingness to be responsible and accountable;
 - viii. Personal integrity, honesty, and comfort with Meridian's values;
 - ix. The ability to provide unrelated, independent representation that is free from undisclosed conflicts of interest;
 - x. Contribution to the Board terms of needed expertise, community/business ties, diversity, or experience. For existing Board members, this can be based on Board and member evaluations.
- d. When considering re-appointments at the end of a member's term, in addition to the above, attendance, level of participation, and record of contributing to Meridian's mission are to be key determinants.
 - i. Meridian's by-laws call for the automatic removal of a Director who misses (5) or more meetings in a Fiscal year, thus any member who does not meet the attendance threshold will not be presented to the Committee for re-appointment;
 - ii. Staff will make sure that members with expiring terms are contacted and their wishes with regard to re-appointment conveyed to the Committee.
 - iii. Staff will provide attendance information to Nominating Committee members prior to its meeting.
 - e. Recommendations for approval of a new member or for re-appointment of a member whose term is expiring are presented to the full Board for approval at the same meeting as the slate of officers, unless the Committee was convened on an ad hoc basis to consider a referral or request for appointment at another time during the period.



I.J. COST OF GOVERNANCE

Effective: 09/02/2008, Rev. 02/07/2012; Rev. 5/3/2016; Rev. 2/7/2017

POLICY:

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

1. Board skills, methods, and supports will be sufficient to ensure 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's 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 an annual independent financial 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. The Board budget shall specifically provide for training/Board development, independent financial audit, access to legal counsel for the Board, and any other external monitoring identified by the Board, and any surveys or stakeholder analyses the Board determines the need for.
3. The Board will establish its cost of governance budget for the next fiscal year during its annual budget/planning process



I.I.B. UNITY OF CONTROL

Effective: 09/02/2008

Policy:

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

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



CHAPTER II. BOARD MANAGEMENT DELEGATION

I.I.A. GLOBAL BOARDS MANAGEMENT DELEGATION

Effective: 09/02/2008

Policy:

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



I.I.C. ACCOUNTABILITY OF THE CEO

Effective: 09/02/2008, Rev. 02/07/2012; Rev. 5/3/2016, Rev. 2/1/2017

Policy:

The 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 CEO.

1. The Board will never give instructions to persons who report directly or indirectly to the CEO.
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends Policies/Strategic Plan goals and objectives and avoidance of Board-proscribed means will be viewed as successful CEO performance.
4. CEO overall performance will be reviewed by the Executive Committee. As indicated in the CEO contract with the Board.
 - a. The Board will review CEO performance at least annually, though performance is assessed at each meeting via a review of reports and other material presented to the Board that reflects the degree to which Board policy is carried out and performance and strategic objectives are being attained.
 - b. A formal review is conducted annually by the Executive Committee. The review will include survey data from all Board members as well as data presented to the Board throughout the year, as described above.
 - c. CEO comprehension will be reviewed at the same time as the annual performance review. It is the Board's philosophy that compensation
 - i. Be competitive as to base salary for like organizations and markets
 - ii. Be performance-based with regard to bonuses
 - iii. Provide for coverage of professional memberships and expenditures that encourage the CEO's ability to stay current in the field
 - iv. Provide coverage of travel and other business related expenses



II. D. DELEGATION TO THE CEO

Effective: Dev. 09/02/2008; Rev. 5/3/2016; Rev. 5/21/2018

Policy:

The Board will instruct the CEO through written policies that prescribe the organizational goals and strategic objectives via "Ends Policies" and a Strategic Plan. The policies/Strategic Plan set forth goals to be achieved, and prescribe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

- 1. The Board will develop policies instructing the CEO to achieve specified results, for specified 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 End policies/Strategic Plan. All issues that are not strategic objectives in the Board-approved Strategic Plan as defined here are means to the attainment of agreed upon goals and objectives and left to the CEO.
2. The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions, and circumstances that would be unacceptable to the Board even if 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 CEO, but may increasingly prohibit means they find objectionable.
3. As long as the CEO uses any reasonable interpretation of the Board's Executive Limitations policies, the CEO is authorized to establish all practices, and develop all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
4. The Board may change its Ends Policies/ Strategic Plan and Executive Limitations Policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Board will respect and support the CEO's choices.
5. The Board, through resolution, and at its sole discretion may delegate certain authority to the CEO in order to efficiently carry out operations, including the execution of contracts, agreements, and other legal documents on behalf of the corporation. The CEO may further delegate the signature of vendor contracts to appropriate executive staff.



CHAPTER III. EXECUTIVE LIMITATIONS POLICIES

III.A. GENERAL EXECUTIVE CONSTRAINT

Effective Date: Dev. 9/2/2008

Policy:

The Chief Executive Officer (CEO) shall not cause or allow any practice, activity, decision, or organizational circumstance which is imprudent, illegal, in violation of commonly accepted business practices, professional or organizational ethics, the corporation's governing documents, funding sources' regulations and/or requirements, Board policies, or relevant government regulation.



II.E. MONITORING CEO PERFORMANCE

Effective: Dev. 09/02/2008; Rev. 5/3/2016

Policy:

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

- 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 information by one or more of three methods:
a. By internal report, in which the CEO discloses interpretations and compliance.
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 assesses compliance with the appropriated policy criteria.
3. In every case, the Board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. The standard for compliance shall be any reasonable CEO 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 Board members or by the Board as a whole.
5. All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor a policy at any time by any method, but will ordinarily depend on a routine schedule.



III.A.1 GENERAL EXECUTIVE CONSTRAINT: Compliance, Risk Management, & Quality Improvement

Effective Date: Dev. 9/2/2008; Rev. 11/1/2011; Rev. 5/1/2012; Rev. 5/3/2013

Policy:

It is the Board's requirement that Meridian be dedicated to providing all those served and their families with the highest standards of accountability for administration, clinical, business, marketing, human resources, and financial standards; to ensure the highest quality mental health and substance use disorder treatments are available in the communities we serve. Toward this end, Meridian is committed to conducting all its activities in full compliance with federal, state, and local laws and regulations.

Accordingly, the CEO shall not fail:

- 1. to create an environment that, in fulfilling its mission, is characterized by strict conformance with the highest standards of accountability for administration, clinical, business, marketing, human resources, and financial standards;
2. to have an active Compliance Plan that is reviewed annually and addresses issues related to clinical care, human resources and financial controls to assure:
a. to ensure compliance with Federal and state statutes and regulations and contractual obligations regarding the provision of and billing for clinical and affiliated services;
b. to educate all employees, and affiliate professionals of MBH concerning appropriate business practices to enable them to comply with all regulatory, statutory and contractual requirements and with the ethical standards of conduct;
c. to protect the assets and business interests of Meridian against fraud, waste, and abuse;
d. to prevent criminal conduct;
e. to safeguard the interests of the Board of Directors, administration, staff, and stakeholders of Meridian; and
f. to ensure compliance in accordance with the Federal Sentencing Guidelines for Organizations, the Federal False Claims Act and the Florida False Claims Act.
3. to ensure that the Compliance Program emphasizes
a. prevention of wrong-doing - intended or not;
b. immediate reporting and investigation of questionable activities or practices without risk or consequence to the person reporting;
c. timely correction of any situation that puts Meridian, its consumers, leadership, staff, or funding sources at risk.
4. to have an active Risk Management Program that encourages and requires reporting of events that represent a deviation from prescribed practice or represent an adverse treatment result or could place the Center's assets or reputation at any risk;
5. to ensure the Risk Management program emphasizes
a. prevention,
b. minimizing loss of assets and mitigation of adverse publicity or negative outcomes, and
c. evaluation of events to develop corrective action;
6. to have an active Continuous Quality Improvement Program that identifies opportunities for improvement with an emphasis on
a. best practices,



- b. innovation and research,
 - c. measurable outcomes that inform decision-making, and
 - d. consistency with the strategic initiatives for the Center;
7. to ensure the assignment of a Security Officer who will be responsible for the ongoing management of information security policies, procedures, and technical systems in order to maintain the confidentiality, integrity, and availability of all organizational healthcare information
 8. to ensure that each employee is made aware of and has a clear understanding of his/her responsibilities with regard to Compliance, Risk Management, and Quality Improvement and acts accordingly;
 9. to ensure that each employee knows and abides by relevant laws, rules, regulations, policies and procedures;
 10. to ensure Meridian operates in a manner consistent with charitable purposes as defined in section 501(c)(3) and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
 - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
 - b. Whether partnerships, joint ventures, and arrangements with management conform to the Meridian's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction
 10. to ensure compliance with applicable provisions of the Sunshine Law and Public Records Act, in conformance with its by-laws and status as an instrumentality of government.
 11. to appoint a Corporate Compliance officer for the development, implementation, and monitoring of Compliance activities. The Corporate Compliance officer shall have unrestricted access to Board of Directors to report on any violations and will report to the Board of Directors at least annually.
 12. to protect employees making reports as to wrongdoing, compliance issues through the development of a whistleblower protection policy.



III.A.3 GENERAL EXECUTIVE CONSTRAINT: Services

Effective Date: Dev. 9/2/2008; Rev. 5/3/2016; Rev. 2/2/2021

Policy:

In seeking to fulfill the Meridian's mission and vision , The CEO shall not fail to ensure that:

1. the values articulated by the Board are applied in all clinical, business, and collegial transactions:
 - Collaboration
 - Efficiency and Effectiveness
 - Initiative
 - Innovation and Growth
 - Integrity
 - Accountability
2. services offered are available to all residents of the North Central Florida area regardless of economic status, gender, race, religion, age, sexual orientation, or disability as funding permits. While Meridian's primary service area remains Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Suwannee and Union counties, individuals may be referred from other areas (Baker and Putnam for inpatient) or choose Meridian, and the same principles apply to their care;
3. the value, integrity, confidentiality and the right to privacy of the individual and the family are respected at all times;
4. services are developed and delivered in accordance with identified community needs and individual consumer choice;
5. services represent valid and current assessment, intervention, and treatment practices that are applied by trained, qualified personnel, based on accepted professional standards;
6. contracts and/or proposals for new services or programs are consistent with the mission, vision, values and Ends Policies/Strategic Plan of the organization;
7. where available, services reflect the implementation of evidence based processes and practices;
8. persons served have the right to voice concerns and register complaints, have them heard and addressed in a timely and respectful manner;
9. where applicable and permitted by the client, staff makes every effort to involve and be responsive to caregivers and family members of those we serve.



III. A.2 GENERAL EXECUTIVE CONSTRAINT: Communication and Counsel to the Board

Effective Date: Dev. 9/2/2008; Rev. 3/3/2009; Rev. 5/3/2016

Policy:

With respect to providing information and counsel to the Board, the Chief Executive Officer shall ensure that the Board is fully informed,

Accordingly, s/he shall not fail:

1. to submit the required monitoring data (see Policy II-E, Monitoring CEO Performance) in a timely manner and a format that is accurate and understandable, directly addressing the provisions of Board Policy;
2. to make the Board aware in a timely manner of relevant trends and issues, anticipated adverse media coverage, material external and internal changes, including key personnel changes, particularly changes in the assumptions underlying established Board policy;
3. to marshal sufficient points of view, issues and options as needed to formulate strategic initiatives, operating policy/procedure, or decisions at all levels of the organization;
4. to provide a means for official Board, staff or Committee communications;
5. to report actual or anticipated non-compliance with any policy of the Board;
6. to inform the Board in a timely manner regarding sensitive issues, especially those having financial or legal implications either in Executive Session, a regular or special Board meeting;
7. to inform the Board on public relations, networking, advocacy and collaborations with funding sources, planning bodies, service providers, consumers, and families;
8. to share information regarding responses to draft legislation, position papers, and new practices;
9. to report to the Board about participation on Committees, task forces, Boards or professional/trade associations;
10. to inform the Board on any Board Policy changes required to meet legislation and funding source requirement.



III.A.4 GENERAL EXECUTIVE CONSTRAINT: Client Rights

Effective Date: Dev. 9/2/2008; Rev. 5/3/2016

Policy:

In developing, implementing and providing outreach, prevention, and treatment services the CEO shall not fail to:

1. Ensure that all individuals receiving services at Meridian or from Meridian staff are informed of their rights and responsibilities including the right to
 - a. Competent, timely treatment free from abuse, financial or other exploitation, retaliation, humiliation, and neglect;
 - b. A complete explanation of the purpose of all aspects of treatment, the possible side effects, alternative treatments and the appropriate length of treatment;
 - c. The right to give informed consent, or refuse consent or to express choice, regarding service delivery, concurrent services, the service delivery team, and involvement in research projects;
 - d. Access to self-help and support services;
 - e. Participation in the development of the treatment or service plan;
 - f. Complete orientation to programs that provide activities and services, including rules and schedules;
 - g. Adherence to research guidelines and ethical treatment as a research study participant;
 - h. Reasonable access to the clinical record;
 - i. To revoke consent verbally or in writing at any time;
 - j. A reasonable measure of privacy and protection of constitutional rights, including the right to legal counsel;
 - k. Confidentiality in communications with Meridian and its employee, including conditions under which confidentiality may be broken, including danger to self or others, or abuse.
2. Ensure that all individuals receiving residential services at Meridian are given an introduction and orientation to policies that govern programs and care, including the right to
 - a. Private space in which to keep personal property;
 - b. Three balanced meals, plus a snack each day;
 - c. Use of a private toilet and bathing facilities;
 - d. Access to recreational and social activities;
 - e. Mail and telephone service in accordance with program guidelines;
 - f. Opportunities for religious worship
 - g. Assistance with voter registration and voting.
3. Ensure that all individuals receiving services at Meridian or from Meridian staff are informed of their responsibilities including the expectation that the recipient of services will
 - a. Actively participate in development of a treatment or service plan;
 - b. Comply with rules that are reviewed in orientation and developed for the safety and comfort of the person served and others in the facility;
 - c. Keep scheduled appointments, or give at least 24 hour notice;
 - d. Pay for treatment in accordance with an agreed upon fee schedule or payment plan;
 - e. Provide an accurate history of treatment, past and present



- f. Allow staff in residential facilities to conduct searches that may be necessary for the safety of everyone in the facility.
- 4. Ensure the safety of those receiving care and staff while assuring that
 - a. Physical intervention is used only where there is serious risk of injury and as a last resort;
 - b. Physical intervention when violence is directed at property is only used when the property damage also poses a risk to the individual being treated, or others;
 - c. Staff who intervene in such a manner are appropriately trained;
 - d. Those whose behavior is judged to be anti-social or criminal are held accountable for that behavior in a thoughtful, progressive manner, appropriate to their disability and the threat to others posed by the behavior.
- 5. Ensure that individuals receiving services at Meridian or their care giver have the right to give opinions about care and to have concerns or grievances heard and resolved.
 - a. Ensure access to satisfaction surveys;
 - b. Assure access to client concern forms for reporting problems dissatisfaction with care;
 - c. Ensure that concerns are tracked and monitored for appropriate and timely resolution.
- 6. Ensure each client has the opportunity to give Advanced Directives.
- 7. Ensure consumers have access to rights, orientation, and responsibilities in writing.



III.A.6 GENERAL EXECUTIVE CONSTRAINT: Public Relations

Effective Date: Dev. 9/2/2008

Policy:

The CEO is responsible for ensuring effective relations with Meridian's external and internal environment.

Accordingly, s/he shall not:

- 1. allow Meridian to be inadequately represented by an unprofessional or uninformed spokesperson;
- 2. fail to take an active leadership in promoting an awareness of Meridian's Mission and Vision;
- 3. fail to ensure that staff is aware of Meridian's Mission and Vision and their role in bringing it to fruition.



III.A.5 GENERAL EXECUTIVE CONSTRAINT: Planning

Effective Date: Dev. 9/2/2008

Policy:

It is the responsibility of the Board and the CEO to ensure that Meridian's operations are aligned with its Mission, Vision, and Values and that its activities are consistent with those aims

Accordingly, the CEO shall not:

- 1. allow Meridian to be without a Strategic Plan that is consistent with the Board's intent and has a horizon of at least three (3) years, and is reviewed and updated annually;
- 2. exclude a review of programs and services from the strategic planning processes;
- 3. exclude internal and external stakeholder input in the strategic planning process;
- 4. fail to ensure a balance between financial goals (including funding strategies and reserve/profit targets) and consumer goals and desired outcomes;
- 5. fail to align the development of business practices (clinical and administrative) and allocation of resources (staffing, training, skills, infrastructure) to the established financial and consumer goals.
- 6. fail to provide for data driven decision-making process that includes
 - a. financial metrics;
 - b. consumer outcomes, including access to care, results (effectiveness) of services, satisfaction with services, and safety of services;
 - c. business practice metrics to ensure efficiency of processes and ensure access to timely data about processes;
 - d. assessment(s) of the need and safety of infrastructure, staffing, technology and other resources needed to carry out the organizational mission.



III.A.7 GENERAL EXECUTIVE CONSTRAINT: Public Representation

Effective Date: Dev. 9/2/2008; Rev. 5/3/2016

Policy:

The CEO shall not fail to:

- 1. ensure ongoing liaisons to maintain communication and compliance with financial and service requirements;
- 2. collaborate with funding sources, planning bodies, service providers, consumers, and families to ensure a comprehensive coordinated range of mental health services for Meridian's service area;
- 3. ensure that mental health and substance use remain a priority in health planning processes by advocating by participating in public forums and Committees, as well as state-wide or national associations and forums, that have the potential to influence health priorities;
- 4. ensure that effective public relations are developed and maintained to assist in dealing with the media on sensitive issues, making presentations to the public on mental health and substance use issues, and promoting the role of Meridian by:
 - a. drafting responses or media releases articulating Meridian's position, including those that require Board response.
 - b. responding to requests from the media regarding Meridian policy or positions,
 - c. developing media press releases, letters to the editor and interviews to advocate regarding mental health/illness and substance use/addiction.



III.B. FINANCIAL CONDITION

Effective Date: Dev. 9/2/2008; Rev. 5/3/2016

Policy:

With respect to Meridian's financial condition and health, the CEO shall not cause or allow the development of fiscal jeopardy or allow actual allocations to deviate materially from Board priorities as stated in the Ends Policies/Strategic Plan (See Chapter I).

Accordingly, s/he shall not:

- 1. fail to establish reporting mechanisms that adequately monitor the organizations' financial condition and performance
2. expend more funds than have been received or are available in the fiscal year to date;
3. in debt the organization outside of Board approved expenditures that are part of the Board approved capital budget, or that are specifically and separately approved;
4. allow cash to drop below drop below the amount needed to settle payroll and current liabilities;
5. enter into contracts for programs or services that would cause Meridian to experience a deficit in any fiscal year without specific Board approval;
6. fail to assure that purchases or contracts for services are based upon reasonable judgment and due diligence and that selections are free from conflict of interest,
7. contract out services that could reasonably be provided by Meridian staff;
8. make any purchase or commit the organization to any expenditure greater than \$50,000 that is not already in the Board approved budget or specifically and separately approved;
9. allow staff expenditure or contract limits that are inconsistent with or unreasonable for scope of responsibility
10. receive, process, or disburse funds under controls insufficient to meet the Board appointed auditors' standards and/or the funder's requirements;
11. fail to reasonably pursue receivables, including client fees;
12. invest or hold operating capital in financial institutions other than those that are federally regulated and insured;
13. contract with independent auditing firm that is not approved or selected by the Board;
14. fail to complete an IRS 990 annually and in timely fashion;
15. fail to submit financial statements to the state, county commissions, HUD and others as required by statute or contract;
16. fail to submit budgetary, personnel and operating plans as required by contract, statute, or regulation;
17. destroy records related to financial, contractual, HUD transactions prior to the time line required by statute, administrative rule, or contract or seven (7) years, whichever is greater.



III.B.2 FINANCIAL CONDITION: Competitive Bids/Procurement – Supplies, Goods, & Services

Effective Date: Dev. 9/2/2008

Policy:

In order to establish and maintain a high level of confidence in the procurement process by ensuring that all purchases are made in an open, fair, consistent, efficient, and competitive manner, the CEO shall not:

- 1. fail to ensure that goods and services with an estimated value of less than \$5,000 are acquired at competitive prices from well known, reputable vendors;
2. fail to obtain competitive bids (good) or proposals (services/projects) on purchases above \$5,000;
3. fail to request bids/proposals that clearly articulate the goods/services being sought, and objective criteria by which bids/proposals will be evaluated;
4. fail to seek at least three (3) bids in these circumstances, unless it can be documented that there are not sufficiently qualified potential vendors to obtain three (3);
5. fail to evaluate bids for goods/proposals for services not only on price, but also on such factors as quality, delivery, servicing, and the capacity of the bidder to meet the organization's established criteria specified in the bid/proposal process;
6. fail to select the vendor that presents the best value for services/goods offered, evaluating based on price, qualification, experience, past performance, and the capacity of the bidder/proposer to meet the criteria.



III.B.1 FINANCIAL CONDITION: Budgeting

Effective Date: Dev. 9/2/2008; Rev. 1/3/2012; Rev. 5/3/2016

Policy:

With respect to budgeting for all or any part of a fiscal period, the CEO shall not jeopardize the integrity of programs or Meridian.

Accordingly, s/he shall not cause or allow budgeting that:

- 1. contains insufficient detail to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure or planning assumptions;
2. plans the expenditure in any fiscal year of more funds than are conservatively projected to be received or available in that period;
3. allows cash to drop below a safety reserve of less than 20 days expenditures or below any external financial covenants at any given time;
4. provides insufficient resources for the Board's prerogatives during the year, such as travel, development, the independent financial audit, or access to legal counsel;
5. fails to reflect anticipated changes in employee compensation, including inflationary adjustments, step increases, incentives, and benefits;
6. fails to take into account the needs for technology expansion, replacement, and maintenance;
7. fails to take into consideration fiscal soundness in future years or ignores the building of organizational capabilities sufficient to achieve ends/strategic objectives in future years;
8. deviates materially from the Board's stated priorities in the Ends Policies/Strategic Plan in its allocation among competing budgetary needs;
9. lacks a periodic review and revision of the fee schedule that takes into consideration:
a) the local market,
b) federal poverty guidelines, as revised, and/or
c) discounts required by payers or contracts.



III.B.3 FINANCIAL CONDITION: Asset Protection

Effective Date: Dev. 9/2/2008

Policy:

The CEO shall not allow Meridian's assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, s/he shall not:

- 1. fail to insure against theft and casualty losses to at least 80% of the replacement value, and against liability losses to Board members;
2. subject office equipment and property to improper wear and tear or insufficient maintenance;
3. unnecessarily expose the organization, its Board and staff to claims of liability;
4. allow more than two (2) years to pass without taking all insurance coverages to market;
5. invest or hold operating capital in financial institutions that are not federally regulated or insured, or in any non-interest bearing accounts, except when necessary to facilitate ease in financial transactions;
6. acquire, encumber, or dispose of real property.
7. fail to dispose of equipment purchased with State or Federal dollars in accordance with applicable regulations.



III.B.4 FINANCIAL CONDITION: Facilities and Capital Assets

Effective Date: Dev. 9/2/2008

Policy: The CEO shall not fail to assure that physical facilities and capital assets support the accomplishment of the Board's Ends Policies/ Strategic Plan, are safe, and are properly maintained.

Accordingly, the CEO shall not:

- 1. allow facilities to be unclean, unsanitary, or unsafe;
2. fail to ensure that existing facilities are properly maintained, including addressing any unsafe conditions, preventive and outlined maintenance, or periodic replacement;
3. fail to ensure that facilities meet regulatory, licensing, and contractual requirements;
4. fail to establish priorities for capital improvements that are tied to the strategic plan and Ends Policies/Strategic Plan;
5. fail to disclose the assumptions on which a capital plan is based, including anticipated growth, expected useful life, and the impact on other projects and financial priorities;
6. make recommendations for land/facility acquisition without
a. articulating the purpose, need, and source of funds and
b. obtaining comparative costs of assessing viability, making the purchase, construction/renovation and operation, as well as, any other factors that might affect the purchase, including zoning and other risks
c. preparing a statement of the financial impact on operation, debt, and fund balance.



III.B.6 FINANCIAL CONDITION: Investment Policy

Effective Date: 9/2/2008; Rev. 6/2/2015; Rev. 9/11/2018

Policy: The Investment Policy Statement establishes the guidelines by which the investment assets of Meridian should be managed. These guidelines are designed to enhance the probability of achieving the goals and objectives of Meridian in a manner that is consistent with the laws, regulations and policies that govern the prudent management of investment assets in a fiduciary setting.

Accordingly, the CEO and CFO will not operate outside the following parameters and objectives:

Investment Objectives

The primary investment objective of Meridian is to preserve and enhance the purchasing power of the organization's assets in a manner designed to minimize risk, while maximizing investment return. Accordingly, Meridian seeks a long-term rate of return on investments that will grow its assets by an amount sufficient to offset inflation, required spending and fees and expenses, over a full market cycle, while maintaining sufficient liquidity to meet ongoing financial goals and obligations. It is expected that these objectives will be met through a combination of both capital growth and income return. The overall investment portfolio will be benchmarked to a blend of indices that mimics the portfolio's asset mix.

The members of the Board of Directors recognize that virtually all investments entail some degree of risk and understand that defining risk for the fund's assets is not a precise science. The Board of Directors has determined that the conservation of present capital is of equal importance with achieving a competitive return. Accordingly, the risk level for the entire fund should be moderately conservative.

Responsibilities Of The Investment Manager

The Investment Manager will manage the assets in accordance with the investment goals, objectives and guidelines outlined in this Investment Policy Statement. Communication is expected for all significant matters that the Investment Manager deems material, such as significant changes in the firm's ownership, organizational structure, professional staffing, investment philosophy and investment process. The Investment Manager will be available on request to meet with the Board of Directors' Investment Committee to discuss issues regarding the firm, investment process, performance, etc. All investment activities will comply with all legislation and regulations as they pertain to the manager's duties, functions and responsibilities as a fiduciary in managing the investment assets.

Reporting

Asset statements will be available monthly and will set forth all account activity and balances. Reasonable expanded analysis will be made available upon request. This may include:

- Statements showing compliance with Asset Allocation Guidelines
• Comparison of returns to benchmarks
• Comparison of returns to the performance of comparable investment managers

Summaries will be prepared quarterly for presentation to Meridian's Board of Directors by Meridian's Chief Financial Officer. The Investment Manager will report investment progress, performance and highlights to



III.B.5 FINANCIAL CONDITION: Reserve Funds

Effective Date: Dev. 9/2/2008

Policy: The Board shall establish Reserve Fund Accounts deemed necessary by the Board from time to time. The Board shall direct the CEO to maintain and monitor any and all Reserve Fund Accounts established by the Board.

Accordingly, the CEO shall not:

- 1. combine the Reserve Account Funds with any other accounts;
2. cause or allow the expenditure of any funds from a Reserve Account without the approval of the Board;
3. request to make payments from the reserve account except as
a. a first and one-time capital expense, should operations not be able to provide for it;
b. a one-time major equipment replacement, where operations is unable to provide for it;
c. to address the impact of shortfall in budgeted fundraising;
d. to address the impact of other unforeseen, extraordinary circumstance(s);
4. make deposits to the fund except in the following circumstances:
a. those funds specifically approved in the Budget to be deposited monthly;
b. special designations as deemed appropriate by the Board (bequests, etc.);
c. the non-refundable surplus at year-end, if so designated by the Board;
d. interest generated by the reserve account;
e. to receive funds designated for special purposes



the Investment Committee at least quarterly. These reports will include comparisons to appropriate benchmarks, risk assessment and component analysis.

FEES AND EXPENSES

A detailed account of fees will be provided from the Investment Manager upon request and must include, but is not limited to, wrap or management fees, underlying investment manager fees, mutual fund sales loads, mutual fund expense ratios and any commissions on trades. Mutual fund investments with sales loads (frequently referred to as "A" or "B" shares), including front-end or back-end/deferred sales loads should be avoided. Instead, where available, institutional share class mutual funds should be utilized. Any assets sold from a firm's own inventory should be disclosed including any markup to the price or commission associated.

Cash Flow Requirements

The Board of Directors will approve management's recommended spending requirements contained within Meridian's Annual Operating and Capital Budgets including any shifting trends from time to time. Projections will be calculated and communicated to the Investment Manager. The Investment Manager will be available to help provide long-term financial planning, spending and asset allocation modeling to help adjust the risk/return ratio and asset allocation percentages over time.

Investment Guidelines

Asset Allocation Guidelines

Meridian will establish and approve Asset Allocation Guidelines for the Investment Manager(s). The Asset Allocation Guidelines will include a Policy Normal Level, representing the strategic asset allocation mix for the assets managed by the Investment Manager. The Asset Allocation Guidelines will also include an approved target range for each asset class managed by the Investment Manager that:

- Recognizes various asset classes may be under- and over weighted due to the trading, settlement and timing delays associated with fully implementing an investment program
• Recognizes it may be prudent and necessary for the Investment Manager to operate outside the approved target ranges when the financial markets are stressed and subject to extreme levels of volatility
• Allows the Investment Manager to deliberately over- and underweight the investment program's assets for opportunistic or tactical reasons, within prescribed target ranges, when the Investment Manager concludes an asset class represents either a unique value providing an excess return opportunity or presents too much incremental risk

Rebalancing

Consistent with the guidelines outlined in this document, the Investment Manager may periodically adjust the allocation of assets within its applicable target ranges depending on:

- Routine cash flows and new money available for investment
• Relative performance of asset classes

If the weighting of an asset class exceeds or is beneath the target range, the Investment Manager will rebalance the portfolio to within the target range within a reasonable period of time. However, the Investment Manager may also use broad market-based trends and tactical and opportunistic factors to guide the specific timing of rebalancing.



Investment Manager Evaluation

Manager selection and retention should be based on sound principles and should be flexible enough to accommodate routine performance swings without triggering ineffective portfolio disruption.

- Fit with Asset Allocation Guidelines, which are driven by the goals and objectives outlined in this document
Sustain discipline and consistency to style; managers need to be disciplined and committed to their core competencies
Reflect a lack of turnover at the manager firm, or within the team assigned to the account
Long-term historical performance, including upside and downside capture ratios, alpha, beta and Sharpe ratio

Cash/Cash Equivalents

Cash/cash equivalents can appropriately include overnight custodial cash funds, money market mutual funds and/or individual money market instruments, rated "A-1" or "P-1" by at least one major rating agency.

Fixed Income

All directly held bonds will be rated at a quality of "A" or better by at least one major rating agency. The core fixed income portfolio shall not have an average quality rating of less than "A."

Equities

Equity investments may consist of publicly traded common stock, preferred stock, mutual funds, ETFs and convertible securities. The portfolio may not invest in closely held stock or individual issues of thinly traded securities.

The Board of Directors recognizes the academic research supporting the use of alternative investments as a strategy to potentially reduce the risk and/or enhance the expected return of an investment portfolio.



GUIDELINES AND RESTRICTIONS

General

The guidelines stated below apply to investments in non-mutual and non-pooled funds, where the Investment Manager is able to construct a separate, discretionary account on behalf of MBHCI.

Equity Guidelines

The Investment Manager shall:

- Assure that no position of any one company exceeds 7% of the total portfolio as measured at market without the written consent of the Board.
Maintain a minimum of 20 positions in the portfolio to provide adequate diversification. This may be done by purchase of equity mutual funds.
Invest no more than 20% of the portfolio in American Depository Receipts (ADR's).

Fixed Income Guidelines

The Fixed Income Investment Manager shall:

- Maintain an overall weighted average credit rating of "A" or better by Moody's or "A" or better by Standard & Poor's.
With respect to the corporate sector of the portfolio, invest no more than 25% of the portfolio in any one economic sector.
Assure that no position of any one issuer shall exceed 10% of the total portfolio as measured at market value except for securities issued by the U.S. Government or its agencies.
Invest none of the portfolio in either derivative, corporate or mortgage backed securities.

Cash Equivalent Guidelines

The Portfolio Manager shall:

- Maintain a maximum weighted average maturity of less than one year.
Invest no more than 9% of the Manager's portfolio in the commercial paper of any one issuer. All commercial paper must have a minimum rating of A1/P1 by Standard & Poor's and Moody's, respectively.
Invest no more than \$250,000 in Bank Certificates of Deposit of any single issuer, unless the investments are fully collateralized by U.S. Treasury or agency securities.
Assure that no position of any one issuer shall exceed 10% of the Manager's total portfolio as measured at market value except for securities issued by the U.S. Government or its agencies.



Asset Allocation Guidelines:

Separate categories of cash assets will be identified according to their purpose and estimated cash flow needs. For the fiscal year ending in 2019, these categories include the following:

- Board Designated Fund
Capital Operating Reserve Fund
Insurance Reserve Fund

Board Designated Funds (Approximately \$1,000,000):

Board designated funds will be distributed as follows to balance market risk with market returns:

- Cash: approximately 5% to 10%
Fixed Income approximately 35% to 40%
Equity approximately 50% to 60%

Liquidity Requirements: This fund is designated as the major investment vehicle, as such it will have the lowest liquidity requirement. However, it is the intent that any amount over the Board requirement for this fund be reasonably available for transfer to the Capital/Operating Reserve or to be used for any purpose approved by the Board on a periodic basis.

Capital & Operating Reserve Funds (Approximately \$900,000):

The operating reserve will be distributed as follows to provide for Meridian's Day to Day operating requirements as follows:

- Cash: approximately 25% to 30%
Fixed Income approximately 30% to 40%
Equity approximately 30% to 40%

Liquidity Requirements: Because this Reserve allows for the investment of funds not typically required for day-to-day operations but that could be needed on short notice, it has the most significant liquidity requirement.

Self-Insurance Reserve Funds (Approximately \$600,000):

The Self-Insurance Reserve fund will be distributed as follows to provide for Board approved capital expenditures

- Cash: approximately 15% to 20%
Fixed Income approximately 60% to 70%
Equity approximately 20% to 30%

Liquidity Requirements: This reserve is maintained to provide funding for claims lag in the event that Meridian opts back into the insurance market, or in case there are large claims under the current self-insured plan which cannot otherwise be paid from current sources.



Alternative Investments

All types of Alternative Investments, including but not limited to, venture capital, private equity, timberland, covered calls, short selling, commodities, letter stock, Eurobonds, limited partnerships and hedge funds, are expressly prohibited.

Derivative Securities

For definition purposes, derivatives securities include, but not limited to, Structured Notes, lower class tranches of collateralized mortgage obligations (CMO's), principal only (PO) or interest only (IO) strips, inverse floating rate securities, future contracts, options, short sales, and margin trading.

Under no circumstances shall the investment manager utilize derivative securities.

Securities Lending

Lending of any of the MBHCI's portfolio of securities is expressly prohibited.

Applicable Indexes

Table with 3 columns: Asset Class, Index, Risk Measure. Rows include Large Cap and Mid Cap Equity, Fixed Income, and Total Portfolio.

Monitoring:

Quarterly Statements
Bi-Annual report and consultation with investment manager



III.C. HUMAN RESOURCES

Effective Date: Dev. 9/2/2008; Rev. 5/3/2016; Rev. 2/2/2021

Policy:

With regard to employees, the CEO shall not cause or allow jeopardy to the safety, integrity, or public image by virtue of employment practices that are unprofessional, unfair, or illegal.

Accordingly, s/he shall not fail to:

1. develop policies and procedures that promote and ensure equal employment opportunity, regardless of race, gender, color, religion, national origin, age, disability, marital status, or sexual orientation in all aspects of employment;
2. have policies and procedures in place that govern practices related to hiring, discipline (including termination), work-force reduction, and expectations for employee performance and conduct;
3. have policies or procedures that support and encourage diversity and cultural competence at all levels in its workforce;
4. have policies and procedures in place that govern staff treatment and internal communication, including policies relating to
 - a. staff development and training
 - b. respectful collaboration between staff at all levels
 - c. preventing sexual harassment,
 - d. personal appearance
 - e. solicitation;
5. have a classification and pay plan that clearly identifies position titles, levels and class as well as salary ranges and that are based on profession-specific and/or local market analysis;
6. ensure all position openings are advertised as required by contract or regulation;
7. provide opportunities for orientation, training, or supervision;
8. provide opportunities for promotion, development, talent management and succession;
9. provide adequate supplies and equipment to ensure job performance and for work-place safety;
10. maintain a drug-free work place;
11. develop strategies to prevent workplace violence, including any type of act, gesture or threat that leaves another person injured or fearing injury



III.C.2 HUMAN RESOURCES: Staff Treatment

Effective Date: Dev. 9/2/2008; Rev. 5/3/2016

Policy:

With respect to the treatment of paid and volunteer staff, the CEO shall not cause or allow behavior or conditions that are unprofessional, unfair, or illegal. Moreover, the CEO shall not permit an environment that discourages employee's ability to deal openly with one another at all levels of the organization.

Accordingly, s/he shall not fail to:

1. act in conformance with the Fair Labor Standards Act or other applicable state or federal law governing leave, compensation, classification or accommodation;
2. fail to have sound personnel policies and procedures that are kept current and reviewed annually that address at a minimum conduct and ethical standards, hiring, discipline, termination, pay and promotion, leave, evaluation and performance;
3. acquaint staff of their rights and responsibilities under these and other policies;
4. provide permanent employees a due process grievance procedure, able to be used without bias, up to and including access to the CEO for matters including
 - a. grievances or complaints
 - b. conflicts
 - c. disciplinary actions taken by the supervisor
 - d. termination
5. maintain policies that govern leave, including personal time off, leave without pay, administrative and family medical leave options and requirements;
6. consult with Meridian's attorney on personnel policies or decisions that may place the center at legal risk;
7. remain apprised of efforts to coordinate the recruitment, selection, discipline and termination of staff and management;
8. make sure all hires have a background and criminal records check commensurate with their job and responsibilities and that they are informed of this process;
9. ensure that meaningful orientation and ongoing training is provided to staff and volunteers throughout Meridian;
10. monitor employee performance and have performance evaluations conducted in accordance with published criteria and schedules set out in center policies, procedures, and guidelines;
11. have policies that link incentives to performance;
12. provide working conditions that are consistent with community standards, including compensation and benefits
13. define and prohibit nepotism and other work-related conflicts of interest;
14. ensure that staff providing direct professional services reserve the right, based on Executive Management staff review to ensure compliance with Federal statutes regarding civil rights or disabilities, to refuse at any time to participate in the care or treatment of any particular consumer or group on the grounds of religious, ethnic cultural, or moral considerations or persuasions;
15. provide separating employees an opportunity to participate in an Exit Interview that is confidential and unbiased.
16. provide a work environment that supports and engages staff, provides meaningful work in as flexible a manner as possible while also promoting excellence, accountability, and ethical practices.



III.C.1 HUMAN RESOURCES: Compensation and Benefits

Effective Date: Dev. 9/2/2008

Policy:

With respect to employment, compensation and benefits to employees, consultants and contract workers, the CEO shall not:

1. change his/her compensation and benefits, which are to be negotiated with the Board (See Board Policy II-E);
2. claim any work-related expenses that go beyond the normal range of commonly accepted work expenses or are outlined in his/her contract;
3. promise or imply guaranteed employment;
4. establish compensation or benefits,(including, but not limited to, paid or unpaid time off, holiday, health insurance or other insurance) that
 - a. deviate materially from the geographic or professional market for the skills being employed;
 - b. create obligations of a longer term than revenues can safely be projected;
 - c. are insufficient permit the hiring and retention of qualified staff
5. establish deferred or long-term compensation or benefits which incur unpredictable future costs;
6. provide less than statutorily required compensation or benefits to regular and/or contract employees including
 - a. overtime,
 - b. PTO
 - c. Worker's Compensation
 - d. Family Medical Leave
 - e. Retirement or other benefits required under Meridian's exemption from Social Security taxes;
7. fail to have written offer of employment signed by the employee and Chief Human Resource Officer or CEO, including any terms or conditions for employment, compensation, benefits;
8. establish policies that provide reimbursement for approved work-related expenses for travel, training, or other business related expenditures.



III.C.3 HUMAN RESOURCES: Emergency/Interim Executive Succession

Effective Date: 9/2/2008

Policy:

In order to ensure that Meridian is managed during any interim period when the CEO is unavailable and/or any period between successive CEO's the incumbent CEO shall not:

1. have less than one manager familiar with the Board and chief executive issues and processes;
2. fail to advise the Operating Officer, who has the next highest level of Center-wide responsibility, of salient issues prior to any planned absences;
3. have an Executive Management Team that could not manage the day-to-day operations in his/her absence.



III.D.1 FUNDRAISING: Code of Ethics

Effective: 8/5/2008

Policy:

Furthermore, while striving to act according to the Code of Ethics (III. D. 1.) Meridian Behavioral Healthcare Inc. agrees to abide and to ensure, to the best of their ability, that all members of their staff & members of the Board of Directors follow AFP standards.

Accordingly, the CEO shall not fail to ensure staff who solicits funds:

- 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
- Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy



CHAPTER IV. ENDS POLICIES

IV.A. STRATEGIC PLAN AS ENDS POLICIES

Effective: 9/2/2008

Policy:

It shall be the policy of the Board of Directors to define the organizational ends endorsed by the Board as those articulated in the long and short-term goals and objectives contained in Meridian's current Strategic Plan, as updated.