



**PDCA**

**PAINING  
CONTRACTORS**  
ASSOCIATION

**PDCA**  
POLICIES

## **MISSION STATEMENT**

The Painting and Decorating Contractors of America serve the coating and wall covering industry with standards, education, training, advocacy, and best practices essential to member success.

**Painting Contractors Association** 2316 Millpark Drive, Maryland Heights, MO 63043  
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# PURPOSES

To enhance the advancement of the coating application industry by attempting to influence and direct the painting decorating market place to favor members.

To provide a conduit of communication between those involved in the coating application industry by focusing on organizational unity and clarity of purposes in representing the collective interests of the membership.

To provide services to members that cannot be obtained in small groups or individually, by seeking out opportunities to establish strategic alliances and partnerships that can favorably impact the standing, status, and business opportunities of members.

To be the voice of the coating application industry.

To promulgate an attitude of ethical responsibility in business.

To be the premier education information organization for the paint and coatings industry.

# INTRODUCTION

The governance of Painting and Decorating Contractors of America (PDCA) consists of Bylaws and Policy. Together, these documents stipulate why the Association exists, as well as the expectations and obligations of members, leaders, and/or operations. PDCA Policy is built on creating accountability of the leadership - both volunteer and operations. Leadership accountability is defined throughout Bylaws and Policy.

## Section I Ends

1. **Members are a community of professional contractors who establish and implement high industry practices. High industry practices include:**
  - A. Pursuit of education that will take members/customers to a higher level of business proficiency and craftsmanship,
  - B. Achievement of business profitability,
  - C. Commitment to honor, follow and promote the PDCA Code of Ethics,
  - D. Contribution to the local community,
  - E. Use of best business practices, e.g.
    - i. Up to date technology
    - ii. Cost analysis
    - iii. Marketing
    - iv. Customer Relations
    - v. Financial Management
    - vi. Safety Management
    - vii. Risk Management
  - F. Understanding and implementation of PDCA Standards,
  - G. Commitment to the advancement of craftsmanship in the industry, and
  - H. Becoming knowledgeable of and adhering to local, county, state, and National legislative and regulatory issues.
2. **Members get a tangible return on dues investment.**
3. **Members are involved in and informed of legislative and regulatory processes and issues of significant impact.**
4. **Members are provided a vital community and presence through Councils, Chapters, Forums, and industry partners, resulting in long-term membership.**
5. **Members are recognized in the marketplace through the use of the Association logo; said logo brands the Association as the voice of the coatings application industry.**
6. **Members are engaged in determining the future of the painting and decorating profession and industry, including efforts to:**
  - A. Identify, develop, and educate present and future leaders for the Association and the industry, and
  - B. Sustain a continuing influx of qualified entrants into the trade.

## Section II Governance Process

1. **Governance Commitment**
  - A. Broad responsibilities of the Board of Directors shall be:
    - i. Accountable for organizational performance
    - ii. Define and prioritize ends
    - iii. Focus on Governance-Membership Linkage, creating a two way systematic and accurate communication conduit which includes the responsibility to listen for and identify information

from members, customers and the industry that may indicate a need for policy development or policy revision and bring that information to the attention of the appropriate entities – Board of Directors, Committees or the Executive Director

- iv. Maintain two way communication between the Board of Directors and the Executive Director, the members and related industry
  - v. Hire, monitor and terminate the Executive Director, Legal Counsel and External Auditor
  - vi. Create and oversee Board of Directors committees to assist it in executing its objectives
- B. Broad responsibilities of the Executive Director shall be:
- i. Accountable for the operational performance
  - ii. Maintain transparent and timely communication with the Board of Directors
  - iii. Responsible for the financial management and asset allocation of the organization
  - iv. Maintain two way communication between the Executive Director and the members, associate members, related industry and government regulatory agencies
  - v. Align, develop and maintain programs and services to execute the Board of Directors's objectives and policies
  - vi. Hire, manage and terminate staff and consultants, excluding Legal Counsel and the External Auditor

## 2. Governing Style

- A. The Board of Directors shall direct the affairs of the Association with the purpose of upholding its mission and seeing that its objectives are fulfilled. It will base its decision and pursue a course of action that best represents the interest of the whole. It will govern within the framework of the PDCA's Bylaws and Policy. Discipline, unity and excellence shall be the qualities that characterize its people, their relationships within the PDCA and the manner with which they govern.

## 3. The Board of Directors shall observe and adhere to current policies scrupulously.

- A. Any member in good standing may submit changes to any segment of Policy. Such submissions shall be forwarded to the Governing Documents Committee of the Board of Directors, and shall contain the following information:
- i. Policy subject
  - ii. Name of submitter
  - iii. Whether it replaces existing Policy
  - iv. Suggested Policy statement
  - v. Background and/or rationale statement (please see Appendix H).
- B. The Governing Documents Committee shall review all received Policy change submissions to ensure compliance with the proper format, and after compliance is verified, shall make a recommendation for Board of Directors consideration. Particular attention will be made to insure that any new Policy or revision shall not unintentionally alter other policies.
- C. The Board of Directors, through the Governing Documents Committee, shall review not less than annually all Policies and Bylaws and consider the development of new Bylaws and Policy, as well as possible revisions to current Bylaws and Policy.
- D. Proposed changes to Policy may be presented to the Board of Directors by the Governing Documents Committee at any Board of Directors meeting, and shall be considered adopted

- upon a majority vote of credentialed Directors present at such meeting. In the event the Chair determines an issue requires the immediate attention of the Board of Directors, Policy or Policy revisions may be approved by a majority vote of the credentialed Directors responding to a mail, fax or electronic ballot between Board of Directors meetings. Ballots shall contain the following options; “approve” or “disapprove”.
- E. New Bylaws/Policies, and Bylaws /Policy revisions shall be dated and become part of the Association’s Policies and Bylaws. Both Bylaws and Policy revisions should be posted on the PDCA website within 20 days of Board of Directors approval.
  - F. The Board of Directors shall be the final interpreter of all Bylaws and Policy. Interpretations shall be confirmed by a majority vote of credentialed Directors present at a Board of Directors meeting.
  - G. Continual Board of Directors development may include orientation of new Directors in the Association’s governance process and regular consideration of governance improvement.
  - H. Board of Directors meetings are open to all members in good standing, Association staff and executives of Association entities including, but not limited to, Councils, Chapters and Forums.

#### 4. Board of Directors’ Election Procedure

- A. Board of Directors:
  - i. The PDCA National Board of Directors shall consist of eight (8) voting Directors and one (1) non-voting ex-officio Director, the Executive Director.
  - ii. The Board of Directors shall consist of six (6) Active member Directors; two (2) from each respective region as defined in PDCA Bylaws (Appendix A).
  - iii. One (1) Associate Director shall be nominated and elected by the National Associate Committee on even numbered years basis at the PDCA Annual Convention and Expo.
  - iv. As per Bylaws, the most immediate past Chair who is still an active member shall also serve as a Director.
  - v. The Board of Directors, with a three-fourths (3/4) majority vote, may appoint ex-officio non-voting Directors when additional representation is deemed appropriate.
- B. Director Preferences:
  - i. In business at least four (4) years.
  - ii. At least two (2) years of experience in local unit leadership and National Committee participation and/or leadership.
  - iii. Only one (1) family member or one (1) company representative may serve on the Board of Directors.
- C. National Nominating and Recruitment Committee
  - i. The membership of the National Nominating Recruitment Committee (Committee) shall consist of:
    - a. *Two (2) current Board Directors*
    - b. *Two (2) former Board Directors*
    - c. *One (1) Active member (Unit officer and/or National Committee Chair experience)*
    - d. *At least one (1) Committee member must be from each geographical region as defined in Bylaws (Appendix A).*
    - e. *The Chair of the PDCA Board shall appoint the Committee members and the Chair from the above categories.*

- ii. Committee Job Products and Responsibilities:
  - a. *Director Nominations*
  - b. *Announcement seeking interested Director Candidates from each region; must notify all Councils, Forums and National Members.*
  - c. *Qualify the candidates based on PDCA National and unit leadership experience, and other outside leadership experience and industry knowledge and experience. Identify specific skill sets based on current Board of Directors needs.*
  - d. *Interview and select candidates from each region with consideration to be given to prior leadership training experience and business diversity (i.e. residential, commercial etc.)*
  - e. *Submit the appropriate number of candidates from each region to the Board of Directors for approval based on available openings.*
  - f. *Oversee the announcement process and petition process*
  - g. *Oversee the election process if necessary*
  
- iii. Prospective Director Orientation
  - a. *Oversee creation of and distribution of appropriate orientation materials prior to nominations in order for nominee to understand the requirements of Directors.*
  - b. *Require acceptance of commitment from nominees.*
  - c. *Board of Directors Recruitment Committee to solicit and form an associate group consisting of Director qualified active members from all regions desiring to become a Director.*
  
- iv. Director Nomination Timeline
  - a. *May 1 – Appointment of National Recruitment and Training Committee*
  - b. *September 1 – Announcement of Vacancies to Membership and Councils*
  - c. *October 1 – Committee Evaluation Process begins.*
  - d. *Self-nomination and active member nominations to be submitted to Committee with a statement of PDCA activity and minimum qualifications. Committee begins evaluation of member nominations and other possible candidates known to the Committee and that meet the nominee qualifications.*
  - e. *December 1 – Nominating Committee to submit nominees to the Board of Directors and make the appropriate announcement to PDCA membership including petition nomination process.*
  - f. *January 1 – Nomination petitions to be received back to PDCA National.*
  - g. *Petition candidates must submit to Nomination Committee a nomination form that includes signatures of 5 active members from the respective region, and statement of PDCA activity and minimum qualifications.*
  - h. *January 7 – If an election is required, the Active Members in the region will vote for the candidates from that region; ballots to be distributed to PDCA Active Members in the respective region holding the election with appropriate information and instructions.*
  - i. *February 1 – Election Ballots to be returned to PDCA Counsel for verification and tabulation.*
  - j. *February 2 – Election Announcement to Board of Directors and subsequently to PDCA membership.*

## **5. Board of Directors' Job Description**

- A. Duly elected Board Members are responsible to ensure PDCA's overall performance in accord with its Policies, Bylaws, objectives, and Code of Ethics. Specifically, the Board of Directors shall,
- B. With a three-fourths (3/4) affirmative vote of a quorum of Board Members present hire or fire an Executive Director to manage the day-to-day affairs of the organization;

- C. Define the role of the Executive Director;
- D. Draft policies in the best interests of membership, providing a framework for decision-making, self-monitoring, and operational oversight—specifically, that of the Executive Director.

## **6. Directors' Code of Conduct**

Directors, as representing the membership, shall conduct themselves in a professional, business-like manner, upholding the Association's Code of Ethics, Bylaws and Policy governing at all times for the good of the whole. In particular, Directors shall,

- A. Act without partiality toward any Council, Chapter, Forum, staff member or other organizations;
- B. Avoid Conflicts of interest—including even the appearance of a conflict of interest;
- C. Not abuse their individual authority by exercising or attempting to exercise it over any person(s) or entity/entities part of or associated with PDCA—including the Executive Director and his/her staff, using it to obtain employment for themselves or others, or speak on behalf of the Board of Directors without Board of Directors authorization;
- D. Not receive compensation, direct or indirect, other than Board of Directors approved.
- E. Keep confidential matters confidential, specifically in regards to Executive Sessions;
- F. Be properly prepared for Board Meetings;
- G. Faithfully attend all Board Meetings, notifying the Chair of an anticipated absence;
- H. Support and respect the office of the Chair;
- I. Comply with the Association's Anti-Trust Policy Statement;
- J. Uphold and promote the Association's public image and credibility.

## **7. Agenda Planning**

To accomplish its efforts with a governance style consistent with policies, the Board of Directors shall follow an agenda which continually improves the Association's governance process and operational performance through education and enriched input and deliberation.

- A. All Board of Directors meetings will focus on defining and or redefining goals, including prioritization, objective decision making methods and reviewing the Association's overall progress and projected activity regarding the mission and goals.
  - i. Consultations, meetings and contact with selected groups in the membership, or other methods of gaining membership input, may be determined by the Chair.
  - ii. Governance education, and education related to goal development and revisions from outside the membership (e.g. presentations by futurists, demographers, advocacy groups, etc.), may be arranged by the Chair.
- B. Members from Association entities including, but not limited to, Councils, Chapters and Forums may prepare a brief report to share activities by using a Board of Directors established format. Association entity reports shall become part of the Board of Directors meeting minutes.
- C. Specific meeting agendas generally may follow the format below where all agenda items will be classified according to the intended policy outcome:
  - i. Call to Order
  - ii. Reading of the Anti-Trust Policy Statement
  - iii. Approval of the Agenda
  - iv. Executive Directors Operational Consent Agenda

- v. Board Consent Agenda
  - a. *Approval of Board & Committee Minutes*
  - b. *Receipt of Written Committee & Council Linkage Reports*
- D. Action Items
- E. Board and Executive Director Self-Assessment
- F. Good of the Order
- G. Adjournment

## 8. Officers' Roles

- A. The Officers serve as informed agents of the Board of Directors. Accordingly, officers shall:
  - i. Gather, research and review information and present problems and proposals to the Board of Directors for a decision.
  - ii. Determine when operational issues and problems become significant to warrant Board of Directors notification.
  - iii. Communicate and keep Board of Directors informed of the actions of Officers.
  - iv. Officers have no decision making powers. All proposed decisions shall be presented to the Board of Directors for approval.
  - v. Function in the responsibilities as outlined below,
- B. Chair's Role
- C. The Chair shall be the presiding elected officer of the Association. The Chair assures the integrity of the Association's governance and particularly the Board of Directors processes and, secondarily, represents the Board of Directors to outside parties.
  - i. The responsibility of the Chair is to ensure that the Board of Directors functions consistently with Bylaws, Policy and any regulatory or related statutes. Accordingly, the Chair shall:
  - ii. Ensure meeting discussion content be only those issues, which, according to Policy, clearly belong to the Directors to decide, not the Executive Director.
  - iii. Ensure fair, open, timely and thorough deliberation.
  - iv. Report to the Board of Directors matters of interest, which may require notice and consideration.
  - v. See that votes, actions and resolutions of the Board of Directors and members are implemented.
  - vi. Distribute nomination/election notices in a timely and equitable fashion to voting member groups.
  - vii. Be the primary liaison between members and the Board of Directors.
- D. The authority of the Chair consists in making decisions that fall within topics covered by policies, with the exception of where the Board of Directors specifically delegates portions of authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies with the stipulation that the Board of Directors is the final interpreter of all Policy. Accordingly, the Chair:
  - i. Shall be empowered to preside at Board of Directors and all Association meetings with the commonly accepted power of a "Chair" position (e.g. ruling, recognizing).



- ii. May use discretion to grant opportunity at meetings for the presentation of reports not submitted according to governance procedures or may allow supplemental information necessary to augment written reports.
  - iii. Has no authority to make decisions regarding policies created by the Board of Directors unless otherwise directed by Board of Directors.
  - iv. May direct the Executive Director if recommended by the Board of Directors.
  - v. May represent the Board of Directors and members to outside parties in announcing Board of Directors-stated positions and Chair decisions and interpretations within the area delegated to the Chair.
  - vi. May delegate portions of the Chair's authority as necessary to fulfill the Chair's role.
  - vii. Shall appoint liaison representatives, Ad Hoc Committees, Governance Committees and respective Committee Chairs.
  - viii. Shall have full supervisory authority for all governance Committees conducting activities.
  - ix. Shall have the privilege to participate in all Association Committees.
  - x. Shall fill Committee vacancies and remove Committee Chairs or members except as otherwise provided herein. The Chair should have the Committee's in place within 30 days of the Annual Members' Meeting
  - xi. Shall appoint a Committee, subject to Board of Directors approval, to conduct an Executive Director search, negotiate employment terms and present recommendations for Board of Directors approval.
  - xii. Shall appoint a Committee, subject to Board of Directors approval, to negotiate contract terms of the Association's Legal Counsel and present recommendations for Board of Directors consideration.
  - xiii. May call Special Member meetings.
  - xiv. Shall perform ceremonial Association duties of the presiding officer position (i.e. conducting the officer and director pledges; administering the annual member's awards presentation; etc.).
  - xv. Shall have such powers additional to the foregoing, as the Board of Directors may designate.
- E. Vice Chair's Role
- F. The Vice Chair shall assist in all duties assigned by the Chair. If the Chair is incapacitated or otherwise unable to serve, or if the office of the Chair position shall become vacant, regardless of the reason, the Vice Chair shall assume the duties for the Chair.
- i. The responsibility of the Vice Chair shall be to assist the Chair in the governance process and foster alignment and compliance in all matters related to the Bylaws and Policy. Accordingly, the Vice Chair shall:
    - a. *Serve on the Issue Resolution Committee*
    - b. *Serve as the Board of Directors liaison on the Governing Documents Committee*
    - c. *Serve as the officer liaison to members, staff, Directors and Association entity executives in matters related to Bylaws and Policy*
    - d. *Ensure that alignment matters are presented to the Board of Directors and notices distributed to appropriate parties in a timely and equitable fashion*
  - ii. The authority of the Vice Chair consists in accepting and verifying information and/or reports regarding Bylaw and Policy alignment; said information and/or reports shall be summarized and submitted to the Board of Directors in a timely fashion for consideration and action. Accordingly, the Vice Chair:

- a. *Shall ensure that each submittal or incident is addressed, acknowledged and distributed to the Board of Directors for consideration in a timely and equitable fashion*
- b. *May make recommendations to the Board of Directors regarding alignment issues focused on the Bylaws and Policy sections 2, 3, 4 and Appendices unless otherwise provided herein*
- c. *May make recommendations to the Board of Directors regarding member to member or member to Association entity (Councils, Forums, Chapters and Committees) issues unless otherwise provided herein*
- d. *May make recommendations to the Board of Directors regarding Director to Director or Director to member or Association entity issues unless otherwise provided herein*
- e. *Has no authority to render decisions or determine the outcome of any alignment issues*
- f. *Has no authority to discipline or sanction any member, member entity, Director, officer or Association entity executive unless otherwise directed by the Board of Directors*
- g. *Shall have such other powers and perform such other duties as the Chair or the Board of Directors may from time to time designate*

G. Treasurer's Role

H. The Treasurer shall monitor the care and custody of the Association's financial management.

- i. The job product of the Treasurer is to ensure that the financial management of the Association is well maintained, in compliance with regulatory rules, transparent, and clearly understandable to the Board of Directors and members. Accordingly, the Treasurer shall:
  - a. *Submit an annual report of the Association's income and expenditures for membership review at the Annual Members Meeting.*
  - b. *Submit a review of the Association's income and expenditures for Director consideration before each Board of Directors meeting and as provided herein*
  - c. *Serve as the Finance Committee Chair that includes responsibility for PDCA investments*
  - d. *Serve as the Board of Directors liaison and a non-voting ex-officio member of the Education Foundation*
  - e. *Present a budget for Board of Directors consideration prior to the convention Board of Directors meeting, or in any event, not less than two (2) months prior to the beginning of the following fiscal year*
  - f. *Make financial information available to any Director for inspection upon request*
  - g. *Notify the Board of Directors of any financial matter that may require timely consideration or action*
- ii. The authority of the Treasurer consists in monitoring the financial management and being accountable to the membership and Board of Directors in all matters pertaining to the Association's financial management. Accordingly, the Treasurer shall:
  - a. *Be responsible for disbursements and sign vouchers as provided herein*
  - b. *Develop a non-deficit budget for the following fiscal year*
  - c. *Ensure Bylaws, Policy and governmental compliance with all financial matters*
  - d. *Ensure fiscal conservatism, and reliable transparent accounting procedures with all financial matters*
  - e. *Ensure that the Association's financial management is subject to Board of Directors control at all times.*
  - f. *Shall have such other powers and perform such other duties as the Chair or Board of Directors may from time to time designate*

I. Secretary's Role

- J. The Executive Director shall serve as the Secretary of the Association and shall be exempt from the usual requirements of membership. In the absence of the Secretary from any Annual Member, Special Member or Board of Directors meeting, the Chair shall choose a Secretary pro tempore who shall document the proceedings of such meeting. The Secretary or Secretary pro tempore shall be sworn to the faithful performance and discharge of duty.
  - i. The responsibilities of the Secretary are to maintain accurate records of Annual Member, Convention, Special and Board of Directors meetings. Accordingly, the Secretary shall:
    - a. *Have custody of the files, records, correspondence and corporate seal for the Association and corporation known as the "Painting and Decorating Contractors of America".*
    - b. *Be an ex-officio member of the Board of Directors and each operational Committee without a vote.*
  - ii. The authority of the Secretary consists in maintaining compliance of the corporate regulatory and governance records. Accordingly, the Secretary shall:
    - a. *Maintain a best practices and/or accurate recording keeping system in conformance with all regulatory and governmental requirements.*
    - b. *Make available the inspection of the Association's records and other documents upon request of any Director.*
    - c. *Shall have such other powers and perform such other duties as the Chair or the Board of Directors may from time to time designate*

## **9. Board of Directors' Committee Principles**

Board of Directors Committees are governance Committees which may be assigned so as to reinforce the wholeness of the Board of Directors purpose in fulfilling the Association's mission and ends and to not interfere with delegation from the Board of Directors to the Executive Director. Accordingly:

- A. Board of Directors Committees are to help the Board of Directors attain its objectives and goals, not to help or advise the staff. Committees will normally not have direct dealings with current staff operations.
- B. Board of Directors Committees may not speak or act for the Board of Directors except when formally given such authority for specific and time-limited purposes.
- C. Board of Directors Committees shall not exercise authority over the Executive Director or staff. The Executive Director works for the full Board of Directors and the Executive Director may not be required to obtain approval of a Committee before an operational action, with the exception of instances beyond the authority of the Executive Director as defined in Bylaws and Policy. The Executive Director may request an exception to the Governance Committee which shall make a recommendation to the Board of Directors.
- D. Committee Chairs shall receive notice of and may be entitled to be present at all Board of Directors meetings. If a Committee Chair is required to attend such meetings, travel expenses may be reimbursed per Board of Directors approval.
- E. Committee Chairs shall expend all effort to submit reports in written form on Committee actions to the headquarters office two (2) weeks prior to Board of Directors meetings.
- F. The Board of Directors may establish Board of Directors Committees in conjunction with the formally established Executive Director Operational Committees.

These Committee principles apply to any group that is formed by Board of Directors action, whether or not it is called a Committee and regardless of whether the group includes Directors. It does not apply to Committees formed under the authority of the Executive Director – operational Committees.

## 10. Board of Directors' Committee Structure

A Committee is a Board of Directors Committee only if its existence and charge come from the Board of Directors, regardless of whether Directors sit on that Committee. Committees shall consist of a minimum of three persons. Unless otherwise stated, a Committee ceases to exist as soon as its task is complete.

The following types of Board of Directors Committees, as outlined in Bylaws, shall exist:

- A. Ad hoc Committees. The Chair may appoint ad hoc Committees (or a task force) for special purposes.
- B. Governance Committees. Governance Committees shall report to the Board of Directors and are appointed by the Chair. The Chair of each governance Committee shall submit a written report of Committee activities to the Board of Directors. These reports shall include any recommendations and if such recommendations require the expenditure of funds, the approximate amounts shall be stated. Committee reports become part of the Board of Directors meeting minutes.
  - i. Governance Committee
    - a. *Membership: Governance Committee will include the work and product of the Policy Compliance, Credentialing, Issue Resolution, Public Resolution and Governing Document Committees complying with Policy 2.8.2 Finance and Office Nominating Committees will remain the same as per Policy 2.8B & C*
    - b. *The PDCA Board of Directors Chair will appoint the following Committee members:*
      - (i) *A past Board of Directors Chair as Committee Chair*
      - (ii) *Two (2) current Board Directors and three (3) active non Board members*
      - (iii) *All to serve, if possible, a two (2) year term.*
    - c. *The current Board Vice-Chair shall serve as the Board Liaison*
    - d. *Responsibilities*
      - (i) *Ensure Board of Directors and Executive Director compliance with Bylaws and Policy, and report issues to Board of Directors*
      - (ii) *Provide a platform for staff, Executive Director and/or Board Director for concerns and complaints*
      - (iii) *Review annual Unit Operating Information and report non-compliant units to Board of Directors.*
    - e. *Policy Compliance Job Products :( former Policy Alignment Committee)*
      - (i) *Maintain, with specific granted authority, Board of Directors compliance with all Board of Directors policies, and address issues of non-compliance by the Board of Directors or individual Directors, staff and Executive Director if necessary.*
      - (ii) *Monitor Executive Director compliance with all applicable Board of Directors policies, and, if necessary, report any non-compliance to the Board of Directors.*
      - (iii) *Delivery a timely written report to the PDCA Board of Directors on all known non-compliance issues.*

- (iv) *Review annual Unit Operating Information Updates (OIU) and bring forward to the Board of Directors any noncompliant units for discussion and Board of Directors action.*
- f. *Credentialing Job Products: (former credentials Committee)*
- (i) *Certify that all Directors are in compliance with “Active” membership status in order to vote at each Board of Directors meeting.*
  - (ii) *Prepare “certification statements” to be completed by all Board of Directors members, and Director’s elect, prior to the Board of Directors meeting convened at the annual convention and expo, certifying that each respective Director is in compliance with required and/or any applicable licensing in their respective local and state jurisdictions.*
  - (iii) *Verify votes, if necessary, at all Board of Directors meetings.*
- g. *Issue Resolution Job Products: (former Issues Resolution Committee Duties)*
- (i) *Hear all matters of disagreement, or potential disagreement including compliance and interpretation of Bylaws or Policy violations concerning Association entities including, but not limited to, Councils, Chapters and Forums.*
  - (ii) *Provide a platform for staff, Executive Director and or Board of Directors complaints.*
  - (iii) *Report findings and make recommendations to the Board of Directors for resolution of any issues matters.*
  - (iv) *All issues brought before the Committee relative to issues resolution, require a report to the Chair.*
- h. *Public Resolutions Job Products: (formerly Resolutions Committee duties)*
- (i) *Develop, review and make recommendations to the membership at the Annual Members’ Meeting on all non-binding resolutions submitted from the Board of Directors and/or any Association entities including, but not limited to, Councils, Chapters and Forums, and/or by petition from the membership when petition is signed by not less than five (5) Active members.*
  - (ii) *All submittals are due no later than two (2) days in advance of the commencement of the Annual Members’ Meeting to the Chair (in person) of the Compliance and Resolutions Committee or no later than seven (7) in advance if sent to PDCA headquarters via mail, fax or e-mail.*
- ii. **Finance Committee**
- a. *Membership: The Treasurer, two board Directors and two active (non-Board of Directors) members. The Treasurer shall Chair the Finance Committee.*
- b. *Job Products:*
- (i) *Document and follow written procedures that provide financial status for Board of Directors Review.*
  - (ii) *Assist and advise the Board of Directors on any matter having to do with the financial activities of the Association.*
  - (iii) *Review and modify as necessary the proposed budget developed by the Executive Director and staff, as defined in Policy 2.10.*
  - (iv) *Examine the proposed operating budget for overall Policy compliance and in particular with Policy 4.4.*
  - (v) *Submit a budget to the Board of Directors for consideration.*
  - (vi) *The Treasurer and the two (2) board Directors shall conduct direct inspection monitoring as determined in Appendix F with finance-related policies 4.5 and 4.6.*

- (vii) *Negotiate contract terms of the Association's external auditor and present recommendations for Board of Directors consideration.*
- (viii) *Monitor Association investments including regulatory and Investment Policy compliance.*
- (ix) *Recommend Investment Policy development and revisions to the Board of Directors.*

iii. Officers' Nominating Committee

- a. *Membership: Four (4) Directors consisting of one (1) from each geographic region, and one (1) past president, all appointed a minimum of four (4) months in advance of the Board of Directors meeting immediately preceding the annual convention.*
- b. *Job Products:*
  - (i) *Consider candidates to fill the elected offices of the Association.*
  - (ii) *Submit one (1) slate of candidates to the Board of Directors at least fourteen (14) days prior to the election.*

iv. Governing Documents Committee

- a. *Membership: Five (5) active members, no more than two (2) of whom are Directors, and the Vice Chair as Liaison (see Policy 2.6.3.A.ii.)*
- b. *Job Products:*
  - (i) *Receive proposed Bylaws/Policy changes as allowed by Bylaws and Policy; research the need for and implications of such changes. Proposed Policy changes or revisions shall only be considered by the Governing Documents Committee when submitted in the proper form (Appendix H). Bylaw development or revisions shall only be considered by the Governing Documents Committee when the submission is received forty-five (45) days prior to the Annual Members' Meeting and is in compliance with the proper form (Appendix H).*
  - (ii) *Review current Bylaws/Policy and propose changes if deemed appropriate.*
  - (iii) *Draft and submit proposed Bylaws/Policy amendments that the Governing Documents Committee has deemed necessary, and in the proper form (Appendix H).*
  - (iv) *Submit with a recommendation all properly received proposed Bylaws amendments to the membership no less than fourteen (14) days prior to the date of the Annual Members' or Special Meeting where the amendments will be considered.*
  - (v) *Submit with a recommendation all received proposed Policy changes to the Board of Directors for consideration.*

## 11. Council/Chapter/Forum Relations

- A. To facilitate optimum effectiveness, the Board of Directors, through their respective Directors, is responsible to communicate the ends of the organization, leaving any reasonable interpretation of the ends as they relate to Councils, Chapters and Forums is conducted through the direct involvement of members in Council, Chapter or Forum meetings.
- B. All Association entities including, but not limited to, Councils, Chapters and Forums shall provide attestation to good not-for-profit organizational practices on an annual basis by completing the Operation Information Update (Appendix I) and delivering the completed form to headquarters by an established date with ninety (90) days prior notice.
- C. PDCA is committed to providing and supporting programs and services that meet the needs of members. Therefore, the Board of Directors has established General Forum Policy as outlined in Appendix K.



- D. Minimum standards of Chapters:
- i. Four (4) meetings a year, which includes an annual meeting. The annual meeting would have an agenda, minutes or report, financial report, election and installation of officers. Any time the members get together, it can be called a meeting, i.e. golf outings, charity projects, holiday parties, seminars, business meetings, etc.
  - ii. File the appropriate IRS 990 form yearly.
  - iii. Complete and submit the Operation Information Update form.
  - iv. Have at least one associate member.
- E. The order of procedures for working with a non-responsive or non-compliant Chapter would be as follows:
- i. The Council should send a letter to the Chapter officers.
  - ii. Call the Chapter president.
  - iii. Send a letter to all members of the Chapter.
  - iv. Set up a meeting. If there are any Chapter funds, then they should be used to fund the meeting.
  - v. Turn the matter over to the Council Board of Directors and ask them to make a decision about whether or not to suspend the Charter.
  - vi. The Council Board of Directors would contact the members to tell them that their Charter has been suspended, and stop collecting dues.
  - vii. The Council should collect the money in the Chapter treasury and put it in an escrow account until the Chapter can be reorganized.
- F. Minimum standards for a Council:
- i. Have a minimum of one annual meeting – at least the annual business meeting. The annual meeting would have an agenda, minutes or report, financial report, election and installation of officers.
  - ii. File the appropriate IRS 990 form yearly.
  - iii. Complete and submit the Operation Information Update form.
  - iv. Oversee and manage its Chapters.
- G. The order of procedure for working with a non-compliant Council would be as follows:
- i. The Board of Directors should send a letter to the Council officers.
  - ii. Call the Council president.
  - iii. Send a letter to all members of the Council.
  - iv. Set up a meeting. If there are Council funds, then they should be used to fund the meeting.
  - v. Turn the matter over to the National Board of Directors and ask them to make a decision about whether or not to suspend the Charter.
  - vi. The National Board of Directors would contact the members to tell them that their Charter has been suspended, and to stop collecting dues.
  - vii. The National Board of Directors should collect the money in the Council treasury and put it in an escrow account until the Council can be reorganized.

## 12. Cost of Governance

Because poor governance costs more than learning to govern well, the Board of Directors shall invest in the Association's governance capacity. Accordingly:

- A. Board of Directors training (including leadership training), skills, methods and administrative support shall be sufficient to assure the Association is governed with excellence.
  - i. Training and retraining shall be used liberally to orient new Directors and Director candidates, as well as to maintain and increase existing Director's skills and knowledge.
  - ii. Outside monitoring and consulting assistance may be arranged so that the Board of Directors may exercise confident control over organizational performance and the overall governance of the Association including, but not limited to, long term fiscal stability, fiduciary responsibilities, sound general legal counsel, member services and industry services.
  - iii. Outreach mechanisms may be used as needed to ensure the Board of Directors has the ability to listen to member viewpoints and values.
- B. Costs shall be prudently incurred, though not at the expense of endangering the development and maintenance of superior governance capability.
  - i. Transportation and expenses of Directors at Board of Directors meetings shall be reimbursed as approved by the Board of Directors. Directors shall receive any and all reimbursements /compensation by headquarters in accordance with the guidelines established in Appendix J. Directors asked to represent the Board of Directors at Association entity functions shall be reimbursed for approved expenses.
  - ii. Officers shall be reimbursed for approved expenses. The Chair shall be allowed an annual expense account determined by the Board of Directors. Said monies will be paid to the Chair's firm as reimbursement for expenses absorbed by the firm during the Chair's term.

## Section III Governance-Management Linkages

### 1. Universal Governance-Management Connection

The sole official connection of the Board of Directors to the operational organization, its achievements and conduct shall be through the Executive Director.

### 2. Unity of Control

In addition to the Association's mission, ends, Bylaws and Policy, only officially passed Board of Directors initiatives and actions are binding upon the Executive Director.

Accordingly:

- A. Decisions or instructions of individual officers, Directors or Committees are not binding on the Executive Director except in instances when the Board of Directors has specifically authorized such authority.
- B. In the case of information or assistance requested by individual Directors or Committees without Chair or Board of Directors authorization, the Executive Director may refuse such requests that require, in the Executive Director's reasonable interpretation, an unbudgeted amount of staff time or funds, and/or those that are disruptive.

### 3. Accountability of the Executive Director



4. **The Executive Director is the only link from the Board of Directors to operational achievement and conduct. Therefore, all authority and accountability of staff, as far as the Board of Directors is concerned, is considered the authority and accountability of the Executive Director.**

**Accordingly:**

- A. The Board of Directors shall view Executive Director performance as identical to organizational/operational performance, so that organizational/operational accomplishment of the Association's mission, ends and actions or initiatives of the Board of Directors, as well as avoidance of Board of Directors proscribed means (executive limitations) may be viewed as successful Executive Director performance.
- B. The Executive Director is accountable to the Board of Directors through the Chair's capacity as the primary point of contact. The Chair is responsible to report material developments of unsatisfactory behavior to the Board of Directors in a timely, concise and clear manner.

5. **Delegation to the Executive Director**

6. **The Board of Directors may instruct the Executive Director through written policies that prescribe the Association's mission and ends to be achieved in compliance with Bylaws and Policy. The Board of Directors may further describe or instruct organizational/operational situations and actions that shall be avoided, allowing the Executive Director to use any reasonable interpretation of executive limitations. Accordingly:**

- A. The Board of Directors may develop policies instructing the Executive Director to achieve certain results, for groups of customers, at a specified cost and/or priority. These policies may be developed systematically from the broadest, most general level to more defined levels, and may begin with ends policies.
- B. The Board of Directors shall develop policies that limit the latitude the Executive Director may exercise in choosing the operational means. These policies may be developed systematically from the broadest, most general level to more defined levels, and they will be called executive limitations.
- C. As long as the Executive Director uses any reasonable interpretation of the ends, and executive limitations and maintains compliance with Bylaws and Policy, the Executive Director is authorized to fulfill the Board of Directors initiatives and actions. Unresolved matters shall be referred to the Board of Directors for consideration/resolution.
- D. The Board of Directors may change its ends and executive limitations at any time, thereby shifting the boundary between the Board of Directors and Executive Director domains. By doing so, the Board of Directors changes the latitude of choice given to the Executive Director. But as long as any particular delegation is in place, the Board of Directors shall support reasonable Executive Director choices, providing the results and means are in alignment with Board of Directors Policy, initiatives and actions.

7. **Monitoring Executive Director Performance**

Systematic and rigorous monitoring of Executive Director job performance shall be performed solely against the only expected Executive Director job outputs: organizational/operational accomplishment of the Association's mission, ends and Board of Directors initiatives/actions, and organizational operation within the boundaries established in executive limitations, as well as compliance with Bylaws, and Policy. The Board of

Directors, through the Policy Alignment Committee, will monitor Executive Director performance in accordance with Appendix F. Accordingly:

- A. Executive Director performance monitoring is simply to determine the degree to which policies are being successfully fulfilled in the sole judgment of the Board of Directors. Data that does not support the implementation of Board of Directors approved operational outcomes towards the Association's mission, ends and Policy, as well as Board of Directors initiatives and actions may not be considered to be monitoring data.
- B. The Board of Directors shall acquire monitoring data by one or more of three (3) methods:
  - i. By internal report, in which the Executive Director discloses compliance information to the Board of Directors,
  - ii. By external report, in which an external, disinterested third party selected by the Board of Directors assesses compliance with Board of Directors policies, or
  - iii. By direct Board of Directors inspection, in which case the Policy Alignment Committee will assess compliance with Policy criteria and fulfillment.
- C. In every case, the standard for compliance shall be the Executive Director reasonable interpretation of Board of Directors initiatives and actions being monitored and Executive Director compliance with Bylaws, all policies, and in particular, Executive Limitations.
- D. All policies which instruct the Executive Director shall be monitored at a frequency and by a method chosen by the Board of Directors or as the Board of Directors delegates to the Policy Alignment Committee. The Board of Directors may monitor any Policy at any time by any method, but will ordinarily depend on the Policy Alignment Committee as the default Executive Director/operations monitoring Committee utilizing a routine schedule set by the Board of Directors (See Appendix F).

## **8. Executive Director Compensation and Benefits**

The Board of Directors shall have final authority to hire or terminate the Executive Director with a two-thirds (2/3) affirmative vote of the credentialed Directors present at regular or special meetings where the matter is considered. The Executive Director shall be a competent individual accountable for the operational performance of the Association as dictated by Policy and also in compliance with Association Bylaws. The compensation, benefits and all terms of employment regarding the Executive Director shall be included in an employment agreement. The Executive Director shall not be an employee at will.

Executive Director remuneration shall be stated in the employment agreement and the remuneration shall remain confidential with the Board of Directors.

Upon an Executive Director candidate's acceptance of terms, the Board of Directors may grant final approval with a two-thirds (2/3) Board of Directors affirmative vote of the credentialed Directors present at regular or special meetings where the matter is considered. The Chair is authorized to sign the employment agreement on behalf of the Association.

In the event the employment agreement is to be extended, the Chair's appointed Committee shall negotiate contract terms for the Executive Director employment agreement.

## **Section IV**      **Executive Limitations**

### **1. Universal Executive Constraint**

The Executive Director shall not cause or allow any procedure, activity, decision or organizational/operational circumstance which is either unlawful, imprudent, in violation of commonly accepted business practices and professional ethics, or endangers PDCA's public image or credibility in ways that would hinder the Association's accomplishment of its mission and ends, as well as Association Bylaws, Policy and Board of Directors actions and initiatives.

### **2. Treatment of All Members and Customers**

With respect to interactions with all members, customers, and Association entity executives the Executive Director shall not cause or allow conditions, procedures, or decisions that are inappropriate, disrespectful or unnecessarily intrusive.

Further, including, but not limited to, the Executive Director, staff, service providers and consultants, shall not:

- A. Collect or solicit member or prospective member information, particularly the use of application forms that elicit information for which there is no clear necessity.
- B. Fail to use methods of collecting, reviewing, transmitting or storing member or customer information that protect against improper access to the information and/or material. Privacy of members, customers, prospective members, vendors, Association entities and all related industry companies and groups shall be maintained per applicable laws.
- C. Fail to establish with members and customers a clear understanding of what may be expected and what may not be expected from the programs and services rendered.
- D. Fail to promote cooperation, alignment of Board of Directors actions and initiatives, synergistic programs and services and friendly relations with or between members, customers, Councils, Chapters and Forums, as well as, Association entities and all related industry companies and groups.
- E. Fail to execute a systematic and documented procedure of direct communication with any member who is late in dues payment.
- F. Fail to respond to a member or customer communication within a reasonable period of time.
- G. Fail to become familiar with the members through attendance at Councils, Chapters, Forums and Association entity events.
- H. Fail to become familiar with Association entities, and all related industry companies, Associations and groups.
- I. Fail to inform members and customers of this Policy 4.1, or to provide a way for members and customers to be heard who believe they have not been accorded a reasonable interpretation under Association Policy.
- J. Fail to become familiar with industry best practices and standards, craftsmanship operating procedures, Association education offerings and including, but not limited to, all Association programs and services.

### **3. Treatment of Staff and Volunteers**

With respect to the treatment of staff, service providers, consultants, and Association entity executives, officers, Directors, and volunteers, the Executive Director shall not cause or allow conditions that are unfair, undignified, unorganized or unclear. The Executive Director shall comply with federal and state laws, Association Bylaws and policies, professional

business practices and fair and equal treatment regarding staff and/or service providers, consultants and Association entity executives, officers and Directors, as well as volunteers and Committee members.

Further, including, but not limited to, the Executive Director shall not:

- A. Operate without a personnel Policy manual that includes the generally accepted procedures that all staff needs to know in order to function and enjoy a productive and fulfilling professional work environment. The personnel Policy manual shall be considered by and subject to final Board of Directors approval.
- B. The manual shall include, but is not limited to:
  - i. Defining staff performance and expectations
  - ii. An organizational chart which identifies all staff accountability
  - iii. Effective handling procedures of staff grievances, and
  - iv. Procedures and protection against wrongful conditions such as nepotism and grossly preferential treatment.
- C. Discriminate or retaliate against any staff, service providers, consultants, Association entity executives, officers and Directors, as well as volunteers and Committee members for appropriate non-disruptive expression of dissent and/or diverse views.
- D. Prevent staff, service providers, consultants, Association entity executives, officers and Directors, as well as volunteers and Committee members from informing the Chair and/or Board of Directors, of a situation regarding potential or perceived Policy, and/or Bylaws violation.
- E. Fail to acquaint staff, service providers, consultants, Association entity executives, officers and Directors, as well as volunteers and Committee members with the Executive Director's reasonable interpretation of their protections under this Policy and notify the Chair and/or Board of Directors of any reasonable interpretations within thirty (30) days or less.
- F. Fail to maintain "at will" employment of all employees as defined by federal regulations and the state of Illinois corporate laws, as well as the state of Missouri domicile employment laws.
- G. Fail to conduct staff performance reviews at least annually. A format for performance reviews shall be included in the personnel Policy manual.
- H. Fail to maintain and annually update job descriptions for staff, service providers, and/or consultants which clearly define duties, responsibilities and job products.

#### **4. Compensation and Benefits**

With respect to employment, compensation and benefits to staff, service providers and consultants, the Executive Director shall not cause or allow jeopardy to fiscal integrity or public image of the Association.

Further, including, but not limited to, the Executive Director shall not:

- A. Alter the Executive Director's compensation and/or benefits prior to Board of Directors approval or beyond the terms and conditions as described in the personnel Policy manual, and the Executive Director employment agreement contract.
- B. Unfairly alter the compensation and/or benefits of staff, service providers and consultants.
- C. Promise or imply permanent or guaranteed employment.
- D. Establish employee compensation and benefits, as well as fees for service providers or consultants, which deviate materially from the geographic area or professional market where the

skills are delivered. The default geographic area is the location of the headquarters' office: St. Louis, MO.

- E. Create obligations over a longer term than revenues and expenses can be projected, in no event longer than the budget year and in all events subject to changes in projected revenue and expenses as approved by the Board of Directors or a sub-Committee appointed by the Chair.
- F. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
  - i. Incur unfunded liabilities.
  - ii. Allow any employee to lose benefits already accrued from any foregoing plan.

The benefit plan shall be updated and/or revised at least every three (3) years.

## **5. Financial Planning and Budgeting**

Regarding financial planning for any fiscal year, or the remaining part of any fiscal year, the Executive Director shall not deviate materially from the Association's mission and ends priorities, the Board of Directors's budget, or risk fiscal jeopardy. Further, including, but not limited to, the Executive Director shall not:

- A. Fail to include a timely and credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions as required by the Board of Directors; three (3) months in advance for annual budgets, and on a quarterly basis throughout each year.
- B. Fail to budget an Executive Director discretionary fund of one percent (1%) of the operating budget with quarterly reporting on the disbursement of funds therein to the Board of Directors.
- C. Fail to provide less for Board of Directors initiatives during the fiscal year than is established by the Board of Directors for its governance work as defined in Policy 2.10 Cost of Governance.
- D. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

## **6. Financial Condition and Activities**

With respect to the actual, ongoing financial condition and activities, the Executive Director shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board of Directors priorities established in Bylaws, Policy and Board of Directors initiatives and actions. Further, including, but not limited to, the Executive Director shall not:

- A. Expend more funds than have been received in the fiscal year to date, unless the debt guideline (below) is met.
- B. Indebt the organization in an amount greater than can be repaid by unencumbered revenues within sixty (60) days.
- C. Use any long-term reserves.
- D. Fail to report the access of any internal or external credit lines within thirty (30) days.
- E. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by unencumbered revenues within thirty (30) days.
- F. Fail to settle payroll in compliance with the personnel Policy manual. Any payroll payment variances shall be reported to the Chair immediately and to the Board of Directors within thirty (30) days.

- G. Fail to pay or resolve vendor debts within sixty (60) days or less, with thirty days being the standard operating procedure. Any vendor payment variances shall be reported to the Board of Directors in a timely manner.
- H. Allow tax payments or other government/regulatory ordered payments or filings to be overdue or inaccurately filed.
- I. Make a single purchase or commitment of greater than \$10,000 without following the stipulations below:
  - i. A budgeted purchase over \$10,000 requires notification to Board of Directors within thirty (30) days.
  - ii. An unbudgeted purchase exceeding the one percent (1%) Executive Director discretionary fund or is over \$10,000 requires prior Board of Directors approval. Splitting orders to avoid this limit is not acceptable.
- J. Incur non-budgeted expenses over ten percent (10%) of the relevant product, program or service budget without prior Board of Directors approval.
- K. Fail to expend at least eighty percent (80%) on Board of Directors approved expenditures and initiatives without notification to the Board of Directors within thirty (30) days.
- L. Fail to have a second signature from the Treasurer or the Chair on all vouchers:
  - i. Over \$2,500.
  - ii. For staff expense reimbursements over \$500.00.
- M. Fail to have a second signature and/or approval from the Treasurer or the Chair regarding all relevant Association credit card statements/payments for staff expenses.
- N. Splitting orders to avoid this is not acceptable.
- O. Acquire, encumber and/or dispose of real estate property or investment fund assets without prior Board of Directors approval.
- P. Dispose of real property in a manner that does not recognize fair market value unless donated to a non-profit organization.
- Q. Disposal and donations require prior Board of Directors approval.
- R. Fail to report within thirty (30) days or less a more than a ten percent (10%) line item variance or ten percent (10%) overall budget variance. Avoiding line items or overall budget variances that embrace non-compliance with any Policy herein, such as, but not limited to, order splitting, the untimely processing of invoices, contracts or payments and finance manipulation is unacceptable in Board of Directors budget variance reports.
- S. Variances shall be reported monthly in a uniform, clear and transparent manner.
- T. Fail to aggressively pursue receivables after a reasonable grace period.
- U. Fail to collect dues on a timely basis. As of January 1, 2018, the dues schedule is as follows:

CATEGORY	DUES
Active Member	\$399
National Member	\$399
National Associate	\$1,250
Other:	
Affiliate	\$330
International	\$145
Student	\$10

Past Service	\$50
Honorary	No Dues
Trial Member - Trial Memberships limited to six (6) months	No Dues

## 7. Asset Protection

The Executive Director shall not allow corporate assets delegated by the Board of Directors and under the Executive Director's control to be unprotected, inadequately maintained or unnecessarily risked. Further, including, but not limited to, the Executive Director shall not:

- A. Fail to maintain an insurance Policy for:
  - i. Director's and officer's liability as fiduciaries of the Association
  - ii. Property, comprehensive general liability, auto, workers compensation, employment practices and any other appropriate insurance required to protect the Association.
  - iii. Association events and meetings, including, but not limited to, education, Committees, governance, convention and tradeshow.
  - iv. Proof of all insurance shall be on file with headquarters.
- B. Allow un-bonded personnel access to Association funds.
- C. Subject plant and equipment to improper wear and tear or insufficient maintenance.
- D. Unnecessarily expose the Association, including, but not limited to, the Board of Directors, members, customers, staff, service providers and/or consultants to claims of liability.
- E. Make any purchase, commit to a contract or engage any service provider or consultant:
  - i. Wherein normally prudent protection has not been given against conflict of interest or due diligence to investigate the ability of the vendor, service provider or consultant to fulfill the commitment or contract in a quality way;
  - ii. Of over \$10,000 annually without having obtained three (3) competitive prices based on a stringent method of assuring the balance of long term, comparative quality and cost, and without Board of Directors prior approval or a sub-Committee prior approval appointed by the Chair. Splitting orders to avoid this limit is not acceptable.
  - iii. That commits the Association longer than one (1) year without Board of Directors prior approval.
- F. Execute any contract or grant arrangement that commits the Association to more than \$10,000 without review by general counsel and Board of Directors prior approval. Splitting orders to avoid this limit is not acceptable.
- G. Fail to protect intellectual property, Association trademarks, service marks, including, but not limited to, the Association's name, logo, publication names, accreditation name and logo and education programs, as well as information and files from loss, unauthorized use or significant damage. The Executive Director shall notify the Board of Directors of any instance and resolution within a timely period.
- H. Receive, process or disburse funds under controls that are insufficient to meet the Board of Directors appointed auditor's standards.
- I. Invest or hold operating capital in insecure instruments or in non-interest bearing accounts. Exceptions require prior Board of Directors approval and generally are to facilitate ease in operational transactions.



- J. Fail to administer investment Policy as recommended by the Investment Committee and established by the Board of Directors, including updates.

## **8. Ends Focus of Contracts or Grants**

The Executive Director shall not enter into any contract or grant arrangement that fails to emphasize primarily the production of the Association's mission and ends, as well as Board of Directors initiatives and actions and, secondarily, the avoidance of unacceptable means. Further, including, but not limited to, the Executive Director shall not:

- A. Allow any activity that would subject Association funds to any imprudent, unlawful or unethical use.
- B. Fail to assess, document and consider a service provider's capability to produce appropriately targeted, efficient results.

## **9. Emergency Executive Director Succession**

In the event of the sudden loss of Executive Director services, the Executive Director shall not leave an absence of operational leadership. Accordingly, the Executive Director shall not fail to:

- A. Have fewer than two other individuals familiar with Board of Directors and Executive Director issues and processes.
- B. Have clear, written procedures in place for the selection, training and implementation of transition or interim management which must be submitted to the Board of Directors for consideration and final approval.

## **10. Industry Resources**

The Executive Director shall not fail to take advantage of collaboration, partnerships, and innovative relationships with all relevant organizations, including, but not limited to, industry companies and Associations, construction industry Associations, coalitions and governmental agencies.

The Executive Director shall not fail to include industry resources' activities in quarterly reports to the Board of Directors.

## **11. Products, Programs and Services**

While operations are delegated to the Executive Director, there are management planning needs that are core to acceptable business practices and key products, programs and services that are central to the identity of the Association. Accordingly, the Executive Director shall not:

- A. Fail to operate without a strategic management plan approved by the Board of Directors and aligned with the Association's mission, Bylaws, Policy - particularly ends and Board of Directors initiatives and actions.
- B. Fail to establish a network of operational member Committees to assist in the development of products, programs and services, as well as member input for the benefit of members, customers and the industry. With regard to these Committees, the Executive Director shall not:
  - i. Fail to solicit the membership for volunteers and take into consideration the recommendations from the Chair and Board of Directors, as well as Councils, Chapters, Forums and all Association entities in populating operational Committees.



- ii. Fail to consult with and implement recommendations from the Chair regarding Committee members and the Committees' job product(s).
  - iii. Disenfranchise or fail to constructively utilize operational Committees for the intended purpose of said Committees.
  - iv. Fail to take into consideration the recommendations of Association Committees.
  - v. Fail to report to the Chair and the Committee's Chair in a timely manner the reason(s) for not following the recommendation(s) of any Committee.
  - vi. Fail to report to the Chair in a timely manner any Committee or Committee Chair that is not sufficiently performing within the intended job product or Committee purpose.
  - vii. Fail to provide each operational Committee with a suggested action plan and job product goals as pre-approved by the Board of Directors or as delegated to a sub-Committee appointed by the Chair.
- C. Fail to maintain an accurate database of membership accessible to all members on the PDCA website.
  - D. Fail to hold the annual convention and trade show in accordance with policies outlined in Appendix C.
  - E. Fail to recommend appropriate convention registration fees for Board of Directors approval. The Executive Director may be authorized to grant complementary registration and exhibit booth space to the chief staff executive of related non-profit Associations, industry publications and educational entities. A timely report clearly indicating such complementary registration and exhibit booth space shall be distributed to the Board of Directors.
  - F. Fail to conduct an appropriate awards program at the annual convention in order to recognize excellence, commitment and best practices among the membership and in the industry. (Please see Appendix C).
  - G. Fail to represent Association values regarding legislative and regulatory issues with the appropriate agency and at all times to the public. (Please see Appendix D).
  - H. Fail to prominently display the Code of Ethics at all Association meetings, and read the anti-trust statement at the beginning of each governance meeting.

## **12. Communication and Support to the Board of Directors**

The Executive Director shall not permit the Board of Directors to be uninformed or unsupported in its work. Further, including, but not limited to, the Executive Director shall not:

- A. Fail or neglect to submit monitoring data to the Policy Alignment Committee as required by the Board of Directors (please see Policy 3.4 Monitoring Executive Director Performance and Appendix F) in a timely, accurate and understandable fashion, directly addressing provisions of policies being monitored. The Policy Alignment Committee may provide summary reports to the Board of Directors.
- B. Fail to make the Board of Directors aware of relevant trends, anticipated adverse media coverage, threatened or pending lawsuits, external and internal material changes, particularly changes in the assumptions upon which any Policy has previously been established.
- C. Fail to advise the Board of Directors, through the Chair, if, in the Executive Director's reasonable interpretation, the Board of Directors is not in compliance with its own Policy, particularly Governance-Membership Linkages and Governance-Management Linkages, and specifically, in the case of any Director behavior/action that is detrimental to the working relationship between the Board of Directors and the Executive Director.

- D. Fail to report to the Chair and/or Board of Directors as soon as the Executive Director becomes aware of an actual or anticipated noncompliance with any Policy.
- E. Fail to assemble, for the Board of Directors, staff, and all related individuals/entities, external points of view, issues and options as needed for fully informed Board of Directors consideration.
- F. Fail to maintain records and to provide all information and/or reports in a clear, transparent and readily understandable manner. Also, the Executive Director shall not present information in unnecessarily complex or lengthy form or in a form that fails to code information in three categories: monitoring, decision-making, and general information.
- G. Fail to provide a mechanism for the Board of Directors, members, customers and Committees to communicate among each other and operations regarding operational and governance activities.
- H. Fail to deal with the Board of Directors as a whole except when fulfilling individual requests for information or responding to the Chair.
- I. Fail to furnish and distribute governance meeting agendas including, but not limited to, all back up information, Council, Chapter, Forum, Association entity and Committee reports, as well as recommendations/action items to the Chair and/or Board of Directors, or members, whichever the case may be, no later than two (2) weeks prior to a face-to-face governance meetings and no later than one (1) week for Board of Directors conference calls.
- J. Fail to supply for the consent agenda all items delegated to the Executive Director yet required by law or contract to be Board of Directors approved, along with relevant monitoring reports.
- K. Fail to submit a membership report and/or Council, Chapter, Forum and Association entity status reports on a quarterly basis to the Chair and/or Board of Directors.
- L. Fail to appoint appropriate employees, staff, service providers and/or consultants to accomplish the production and dissemination of any job product developed by Committees or as indicated by Board of Directors initiatives and actions, as long as it is within the budget.
- M. Fail to notify the Chair and/or Board of Directors within thirty (30) days or less regarding the execution of any budgeted contract over \$10,000.
- N. Fail to submit a monthly staff, service provider, consultant or personal expense report to the Treasurer for approval of expense reimbursement.
- O. Fail to submit a monthly staff, service provider, consultant or personal expense report to the Treasurer including Association credit card charges.
- P. Fail to circulate in a timely manner the names and contact information of Nominating Committee and Governance Document Committee members throughout the membership and particularly to all Council, Chapter, Forum and Association entities.

### **13. Branding and Logo**

Since 1884 and with respect to the Association's image, the organization has built an industry reputation of excellence that is vital to the Association's relevancy, growth and long term prosperity. It is essential that the Executive Director propel the Association forward by the constant and consistent use of the PDCA brand and logos. Accordingly, the Executive Director shall not:

- A. Fail to build and promote a consistent identity through the use of Association branding which includes, but is not limited to, the Association name, logos, fonts, color band and all Association program branding including, but not limited to, education programs, DECO, PACER and PACE.
- B. Fail to comply with the Association branding guide.
- C. Fail to display Association branding on all stationery, marketing material, websites, newsletters, publications, etc., distributed by headquarters, as well as all Councils, Chapters, Forums and Association entities.

- D. Fail to display Association branding at all Association events and meetings, including, but not limited to, education, Committees, governance, convention and tradeshow.

## **Section V Investment Policy**

### **1. Executive Summary**

The following information is specific to current investments as of October 14, 2011.

Fund Name:	PDCA Reserve Fund
Fund Type:	Restricted Account
Date Established:	2000
Federal Tax ID No.:	36-2270072
Original Fund Assets:	\$1,146,589.72 (As Of 6/16/08)
Investment Time Horizon:	Three (3) Years
Risk Tolerance:	Conservative
Portfolio Name:	Income and Growth Portfolio
Custodian:	Pershing LLC
Financial Advisor:	Financial Advantage Associates, Inc. – Jonathan Abbett

### **2. Introduction**

The Investment Policy (Policy) has been prepared to communicate the goals and objectives of the Board of Directors (Board of Directors). As with all policies, the Board of Directors is authorized to accept, modify and maintain this document. The Finance Committee (Committee) may offer Policy changes and investment strategy changes for Board of Directors consideration. The Committee and the Board of Directors shall comply with Director, officer, or trustee fiduciary responsibility, prudence, due diligence and legal requirements on behalf of the membership. The Board of Directors holds the ultimate responsibility for investment performance and monitoring Association investment administration including, but not limited to, financial advisor fees and investment performance.

### **3. Reserve Fund**

The Reserve Fund (Fund) is an investment fund of portfolio assets based on a conservative model and managed by the Committee and a third party financial advisor. The Fund has been established to protect the organization from unforeseen financial circumstances or hardship as determined by the Board of Directors.

### **4. Account**

The Account is an account for the Fund that is separate from other Association accounts and designed especially for the Fund. All interest and dividends paid on any investments shall remain within the Account unless specifically directed by the Board of Directors. The Account shall be maintained with a bank, brokerage house or other financial institution that has oversight from all regulatory bodies and provides detailed reporting on a monthly basis.

### **5. Investment Fund Access**

- A. The Board of Directors from time to time may approve designated amounts from the Fund to be available to cover short term operating needs where it is expected that such disbursements shall be paid back within the fiscal year.

- B. The Board of Directors may also approve short term loans from the Fund which may be loaned to the operating account at a market discounted interest rate with a repayment schedule not to exceed five (5) years.
- C. The access Policy for the Fund is established by the Board of Directors. It shall be the responsibility of Board of Directors to periodically review the access Policy to make adjustments necessary to preserve the purchasing power of the Fund and to promptly communicate any changes in the spending Policy to the Committee.

## 6. Fund Objectives

The objectives of the Fund are:

- A. To protect the ongoing viability of the Association at all times.
- B. To preserve and enhance the purchasing and earning value of the assets held in the Fund.
- C. To seek an average annual real rate of return consistent with the Consumer Price Index (CPI) plus one percent (1%) (anticipated to be not less than three percent (3%) per year on average). This objective shall be measured over a rolling three (3) year time frame, with the intent to preserve the principal value of the assets as measured in real, inflation adjusted terms.
- D. To seek competitive investment performance versus appropriate or relative benchmarks.

## 7. Duties and Responsibilities

The Committee shall be responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns. In carrying out these duties, the Committee may work with a financial advisor to assist in managing the assets of the Fund. The financial advisor's role is to provide guidance to the Committee on matters pertaining to the investment of Fund assets including investment selection, reporting on the Fund's performance and compliance with the Policy. The Committee shall ensure that the Policy and Fund guidelines are in accordance with Board of Directors approved procedures and Association Bylaws and policies.

- A. Board of Directors
  - i. May hire a financial advisor to assist with the management of the Fund or the Board of Directors may delegate this task to the Committee or Subcommittee. Either the Committee or the Subcommittee of the Board of Directors appointed by the Board of Directors Chair shall review the details of any agreement or contract with the financial advisor for Board of Directors approval.
  - ii. Approves the Policy of the Fund, which may include, but is not limited to, allocation between equity (stock) and fixed income assets (bonds), selection of acceptable asset classes and investment performance expectations.
- B. Finance Committee
  - i. Develops and monitors the Association's long-term strategy for managing investments on behalf of the Board of Directors.
  - ii. May make recommendations/revisions to the Policy to allow the Board of Directors, administrative staff, accounting/auditing firms and the membership to more easily understand the Policy.
  - iii. May develop guidelines and expectations for the financial advisor, administrators or staff for Board of Directors consideration and approval.

- iv. May establish reporting and monitoring performance procedures for Board of Directors consideration and approval.
  - v. Shall monitor overall investment performance among all asset classes and provide a report to the Board of Directors on a quarterly basis.
  - vi. Shall monitor the financial advisor's performance, including, but not limited to, fees on an annual basis.
  - vii. Shall make timely recommendations to the Board of Directors regarding all of the above.
- C. Financial Advisor
- i. Shall manage the assets of the Fund in accordance with the stated objectives and policies stated herein.
  - ii. Shall review the investment performance of the Fund to assure the Policy is being followed and progress is being made toward achieving objectives on an annual basis by a report to the Committee.
  - iii. Shall review asset allocation and performance among all asset classes and verify by a report on a quarterly basis to the Committee that allocations are within targets defined by this Policy.
  - iv. Shall provide a monthly report of all fund transactions and fees.
  - v. May assist the Committee in updating the Policy and guidelines contained in the Policy.
  - vi. Shall report in a timely manner to the Committee substantive developments that may affect the management of the Fund assets.
  - vii. Shall submit a contract for all services directly provided on SEC Disclosure Document Form ADV for Board of Directors consideration and approval.
  - viii. Submit a fee schedule for all fees including, but not limited to, fixed, indirect, transaction trading and hidden fees within a fund for Board of Directors consideration and approval.
- D. Executive Director
- E. Executive Director shall direct the financial advisor on routine transactions within the approved Policy.

## 8. Investment Policy and Guidelines

- A. Portfolio Description:
- B. Fund assets may be held in an investment Portfolio with an active strategic asset allocation strategy. This Portfolio shall be invested primarily in mutual funds for all asset classes other than cash, cash equivalents, certificates of deposits and government bonds. As a result, assets held in this Portfolio will be well diversified.
- C. Time Horizon:
- D. Fund objectives are based on a three to five (3-5) year investment horizon so that interim fluctuations should be viewed with the appropriate perspective. The Fund investment time horizon has been selected to ensure that the risk is reasonable for the anticipated amount of time that the assets are held in the Fund.
- E. Diversification:
- F. Investments shall be diversified with the intent to minimize the risk of large losses to the Fund. Consequently, the total Portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in individual issues, corporations or industries.
- G. Asset Allocations:

- H. Target ranges for allocations may be recommended by the financial advisor based on a suggested model which is reviewed by the Committee and considered and approved by the Board of Directors. To meet the Fund objectives and achieve the best balance between risk and return for optimal diversification, the Fund shall allocate assets in accordance with the targets for each asset class as stated below:

#### Asset Allocation Breakdown

Asset Class	Investment Type	PDCA Reserves	
		Approved Ranges	Target Allocation
Cash	Cash and Cash equivalents (includes CDs with maturities under 24 months)	10 – 75%	25%
FI	Government Bonds and Bond Funds (includes 2 – 5 year CDs)	25 – 50%	23%
FI	High Quality Corporate Bond Funds	0 – 30%	9%
FI	International Quality Bond Fund	0 - 10%	7%
FI	High Yield Bond Funds	0 – 10%	2%
EQ	Equity Funds	0 – 40%	25%
EQ	International Stock Funds	0 – 15%	9%
TOTAL			100%

Any changes to the approved ranges require Board of Directors approval and any changes to the target allocations require Committee approval.

- I. Risk Tolerances:
- J. The objectives of the Portfolio may not be achieved without the Fund incurring a certain amount of principal volatility and risk. The Portfolio shall be managed in a style-neutral manner that seeks to minimize principal fluctuations over the established time horizon and that is consistent with the Portfolio's stated objectives.

## 9. Guidelines for Portfolio Holdings

The financial advisor administers the Policy through investments in mutual funds and other pooled asset Portfolios. Such investments are acceptable providing they adhere to the diversification restrictions set forth below.

- A. Equities:
- B. The Equity asset class may consist of mutual funds and other pooled asset portfolios and may be listed on registered exchanges or actively traded in the over-the-counter market or considered to be restricted securities (provided that the percentage of the Fund's assets invested in such securities conforms to each Fund's prospectus).
- C. Fixed Income:
- D. The Fixed Income asset class may consist of mutual funds and other pooled asset portfolios that are invested principally in fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase or, if not rated, are determined to be of comparable quality by the financial advisor or a mutual fund sub-advisor.
- E. Cash Equivalents:
- F. Cash equivalent reserves shall consist of money market mutual funds and other cash equivalents, including FDIC insured short term Certificates of Deposit.

## 10. Control Procedures

- A. Review of Liabilities:
- B. The Committee shall review the Policy, objectives and guidelines annually and submit a report to the Board of Directors. The report shall focus on an analysis of major differences between the Fund's assumptions and actual experience.
- C. Review of Investment Performance:
- D. The financial advisor shall provide the following:
  - i. An annual report which benchmarks the performance of each account (excluding Cash and Cash Equivalents). In most cases, the benchmark used will be the "Morningstar Category Average" for the appropriate investment classification. This report shall be done by asset category class as well as weighted average for the Portfolio overall.
  - ii. A quarterly report showing the performance of the Fund by each class and class allocations, which includes each of the main market indexes for comparison.
  - iii. A monthly report which details all activity for the month, including deposits, withdrawals, fund transactions and any fees or expenses charged.
- E. Proxy Statements:
- F. Proxy statements shall be voted by the financial advisor in accordance with the terms of the Policy.



## APPENDIX A

### PDCA Code of Ethics

An expression of proper conduct in the pursuit of our profession as related to our customers, our fellow contractors, our employees, our Association and to the public.

#### **Obligation of the Contractor**

- To provide painting and decorating services in a professional business-like manner with both craftsmanship and up to date techniques.
- To protect, preserve and decorate homes, edifices, facilities and all other public and private property with the most progressive and efficient means and materials.
- To maintain regulatory, insurance and licensing requirements in the areas we conduct business.

#### **Obligation to the Public**

- To conduct our business operations according to the highest professional and industry standards.
- To provide innovative solutions, which enhance value.
- To faithfully fulfill all contracts.
- To expand our knowledge through the constant study of best business practices and utilization of the latest technical advances in our profession and industry.
- To conduct one's self in a professional manner at all times.
- To follow federal, state, and local tax laws and regulations.
- To adhere to federal, state and local laws and administrative regulations regarding the use and disposal of paints, coatings and related materials.

#### **Obligation to Our Fellow Members**

- To encourage the free exchange of ideas.
- To meet with fellow members and promote all the precepts of this Code.
- To present a broad and favorable image of our profession and industry at all times.
- To promote equal treatment of all members.
- To oppose any discriminatory practices.
- To not disseminate misinformation or derogatory information concerning our Association or related entity, member or industry organization.

#### **Obligation to Our Employees**

- To provide opportunities for training, employment, career advancement and economic security in a progressive manner to all those who would apply themselves.
- To provide a safe working environment by establishing good safety practices in compliance with federal, state and local laws and administrative regulations.
- To follow federal, state and local employment laws and regulations.

#### **Obligation to Our Organization**

- To promote the spirit of this Code and the objectives of our profession and industry through creation of and participation in Councils, Chapters, Forums and all Association entities and industry related groups.
- To establish and maintain the highest level of reciprocal respect and goodwill with all segments of the industry.
- To promote our Association to customers, prospective members, the industry and related groups.



## APPENDIX B

# PDCA Antitrust Policy Statement

1. Neither the Painting and Decorating Contractors of America nor any Committees, section or activity of PDCA shall be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among competitors with regard to prices, fees or rates, terms or conditions, territories or customers. Discussion of such matters by PDCA members is specifically prohibited.
2. No PDCA Committee, section, Chapter, Council or Forum shall undertake any activity which involves exchange or collection and dissemination among competitors of any information regarding prices, fees or rates, methods of computing same, or sales without first obtaining advice and approval of PDCA legal counsel.
3. No PDCA activity or communication shall include any discussion which might be construed as an attempt to prevent any person or business entity from gaining access to any market or to any customer or to prevent any business entity from obtaining goods or services freely in the market place.
4. No person shall be unreasonably excluded from participation in any PDCA Committee, section, Chapter, Council, or Forum where such exclusion may significantly impair such person's ability to compete effectively in the coatings application industry, nor shall any PDCA activity or communication include any discussion which might be construed as an agreement or understanding to refrain from dealing with any supplier of materials, equipment, services or other supplies.
5. All joint research programs and statistical reporting activities if any, conducted through PDCA or a PDCA Committee, section, Chapter, Council or Forum thereof shall be first approved and thereafter monitored by PDCA legal counsel. All such information should be distributed to all members.
6. PDCA members shall not participate in the preparation and dissemination of fee or price lists. Any violation of this rule shall result in immediate expulsion. PDCA members should contact PDCA Executive Director or legal counsel upon receiving knowledge of any government investigation of PDCA activities. The general Policy of PDCA with regard to such investigations, however, is one of cooperation.
7. Finally, all PDCA members are expected to comply with these guidelines and PDCA Antitrust Policy at all times and especially during informal discussions wherever they are held.

## APPENDIX C

### Convention, Trade Show and Awards Traditions

Preparation. A convention shall be held each year. The Executive Director shall propose the site of the annual convention for consideration by the Board of Directors. The Executive Director shall prepare the annual convention program in consultation with the Chair and oversee the annual convention activities. The Chair shall have full supervisory authority for all local Committees conducting activities in the city where the annual convention or special meeting is to be held. The Council/Chapter/Forum in the area in which the annual convention is to be held shall assist the Board of Directors and headquarters staff in connection with preparations for the annual convention.

Convention Execution. The flags of the United States of America and Canada shall be displayed at each convention, and the National Anthem of both countries shall be sung at the opening ceremony. The National Anthem of the host country shall be sung first. At the opening of the first day of each annual convention, there shall be an "Invocation of Divine Guidance".

During the opening session of each annual convention an appropriate memorial service for deceased members shall be conducted.

The newly elected Chair shall provide an address at the Annual Members' Meeting.

### Awards Programs

#### Safety

The Safety awards have been established to recognize members committed to providing safe working environments for employees, customers and the community.

1. Criteria – Candidates must have instituted a comprehensive safety plan including employee education and achieved a record of minimal accident occurrence. Eligible honorees consist of any active member in good standing.
2. Selection Committee – The Board of Directors shall determine the winner(s).
3. Nominations – Nominations may be submitted by any member in good standing. Forms are available at the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

#### Picture It Painted Professionally (PIPP)

The Picture It Painted Professionally awards are presented for overall project excellence and superior craftsmanship.

1. Criteria – Projects may qualify by integrating the exceptional use of color, innovation, specialty finishing techniques, safety compliance, technical skill(s), creativity, project difficulty and superior execution. Entries may be submitted in ten (10) categories, which are Residential Interior, Exterior and Wallcoverings; Industrial; Commercial Interior, Exterior and Wallcoverings; Decorative Finishes; Restoration; and Charity Projects. Each project entry must have been completed by an active member in good standing.
2. Selection Committee – The appropriate Forum (Commercial, Industrial or Residential) shall determine the winner(s).
3. Nominations – Projects may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## Member Recruiter

The Member Recruiter awards are presented for excellent recruiting efforts resulting in Council, Forum, or Chapter membership growth.

1. Criteria – Candidates must have demonstrated remarkable initiative effectively increasing membership. Eligible honorees consist of any member in good standing including associates and affiliates. In addition, Council, Chapter and Forum executives may be considered.
2. Selection Committee – The Board of Directors shall determine the winner(s). There may be an occasion when the Board of Directors does not present this award.
3. Nominations: Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## Associate Member

The Associate Member award recognizes an individual from a sponsoring company that has gone above and beyond in support of the Association and put forth significant efforts to improve the coatings application industry on a nationwide scale.

1. Criteria – Candidates must have demonstrated extraordinary Association and industry advocacy. Eligible honorees consist of any associate member in good standing.
2. Selection Committee – The Board of Directors shall determine the winner(s).
3. Nominations – Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## Government Affairs Service

The Government Affairs Service award acknowledges significant involvement towards advancing the painting and decorating industry's interests regarding governmental and/or regulatory actions.

1. Criteria – Candidates must have exhibited persistent and comprehensive advocacy resulting in a favorable and effective outcome for the industry. Eligible honorees consist of any member in good standing including associates and affiliates.
2. Selection Committee – The PDCA Board of Directors shall determine the winner(s). There may be occasions when the selection Committee does not present this award.
3. Nominations – Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## L.E. Travis, Jr. Craftsman Award

The L.E. Travis, Jr. Craftsman Award distinguishes the most highly skilled experts in the industry. Each year as many as six (6) individuals that demonstrate the highest standards of painting and decorating craftsmanship may be chosen as winners.

1. Criteria – Candidates must demonstrate talent, proficiency, professional work ethic and a mastery of the painting and decorating craft. Eligible candidates shall be employed by active members for two (2) years or longer.
2. Selection Committee – The Craftsmanship Forum shall determine the winner(s). There may be occasions when the selection Committee does not present this award.
3. Nominations – Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## Humanitarian Award

The Humanitarian Award is presented in recognition of extraordinary compassionate contributions that may or may not be painting and decorating industry related. Benevolent acts of humanity that rise above daily business routines and family obligations, which are in alignment with PDCA ideals, receive this admirable accolade.

1. Criteria – Candidates must have demonstrated grace, giving and selfless kindness for the betterment of the less fortunate. Eligible honorees consist of any member in good standing including associates and affiliates, as well as staff and consultants. In addition, Council, Chapter and Forum executives may be considered.
2. Selection Committee – The Board of Directors shall determine the winner(s). There may be occasions when the selection Committee does not present this award.
3. Nominations – Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## Richard A. Liddeke Distinguished Service Award

The Richard A. Liddeke Distinguished Service Award recognizes exceptional, meritorious Association and/or industry service. This very special honor pays tribute for unselfish commitment, the highest qualities of personal character, ultimate professionalism and significant contributions towards the achievement of PDCA objectives on a nationwide scale in general and in particular, with a similar passion and upbeat energy as Mr. Richard A. Liddeke.

1. Criteria – Candidates must have demonstrated perseverance and extraordinary efforts on behalf of members and/or the industry. Eligible honorees consist of any member in good standing including associates and affiliates, as well as staff, and consultants. In addition, Council, Chapter and Forum executives may be considered for this honor.
2. Selection Committee – The Chair, Vice Chair and Treasurer, along with two past presidents or past Chairs (selected by the Chair) shall serve as the selection Committee and determine the winner. Although the selection Committee may honor multiple winners in the same year, there may be years when the selection Committee does not present this award.
3. Nominations – Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## Al Quilici Outstanding Member Award

The Al Quilici Outstanding Member Award is the highest attainable achievement bestowed on a member. The recognition identifies dedication, extensive efforts and tireless organizational advocacy on a nationwide scale. This most prestigious and noble honor acknowledges demonstrated accomplishments for the overall betterment of the contracting environment, in particularly, the embodiment of integrity, devotion and steadfast contributions towards advancing PDCA goals as shown by Mr. Al Quilici.

1. Criteria – In general, the Outstanding Member recognition is awarded for life-time contributions. Candidates shall be only active or honorary members. The scale of achievement for eligibility must encompass a National realm, such as Charing Committees, projects, programs and/or serving as an officer or Director. The service must be performed with the utmost commitment and actions in express adherence to the Code of Ethics.
2. Selection Committee – The Chair, Vice Chair and Treasurer, along with two past presidents or past Chairs (selected by the Chair) shall serve as the selection Committee and determine the winner. There may be years when the selection Committee does not bestow this honor.
3. Nominations –Nominations may be submitted by any member in good standing. Forms are available from the headquarters' office or at [www.PDCA.org/awards](http://www.PDCA.org/awards).

## APPENDIX D

# Government Affairs Policy Guidelines

### (Public Policy Values and Parameters)

In establishing positions and taking actions on government affairs issues, the Painting & Decorating Contractors of America (PDCA) shall adhere to the following principles and policies. These statements reflect PDCA's role of supporting and encouraging the highest ideals of competition and fairness, and the overall betterment of the coatings application industry.

1. PDCA advocates that consumers should be able to freely purchase paint, coatings and wallcovering services and applications, which best suit their needs. PDCA advocates that competition for painting and decorating services should always be encouraged and enhanced. Each contractor should only be limited in their business pursuits (the procurement of work) by their capacity to perform the specific specialty and fulfill contracts. If contractors have the ability and experience to bond, finance, control, supervise and expedite a project, contractors should not be kept from pursuing the project because of non-business factor.
2. PDCA advocates that the public is ill-served by contractors who do not comply with the legal practice of the painting and decorating profession. Contractors who do not obtain appropriate insurance, pay sales or other legal taxes, do not train and take responsibility for the safety and health of employees, or do not follow sound environmental practices including the proper disposal of waste material are not representative of the concern PDCA has for the consumers, public and the coatings application workforce and industry.
3. PDCA advocates that each and every company should be as free as possible from government interference in the day-to-day process of conducting business. PDCA affirms that all laws, regulations and compliance guidelines should be kept to the minimum level necessary and justified with objective, verifiable data.
4. PDCA opposes any legislation which seeks to increase employee control without also increasing employee responsibility for their action(s).
5. It shall be the Policy of PDCA to form partnerships with all related entities (government agencies, legislators, employee representatives, materials and equipment manufacturers and other industry related trade Associations or groups). These partnerships are to enhance the business environment of painting and decorating industry.
6. It shall be the Policy of PDCA to remain neutral on federal legislative and regulatory issues where union contractor members and merit shop contractor members will have opposing views. PDCA will not become involved in these debates or express a position. PDCA is directed to gather pertinent information and inform the membership of these issues.

## APPENDIX E

### PDCA Trusts

Trusts are occasionally created to independently fulfill a specific function related to the Association. Trustee appointments and annual reporting are in strict accordance with individual trust documents. In general, trusts operate independently from the authority of the Board of Directors and the Executive Director.

#### E. Robert Friedman PDCA Scholarship Fund

This restricted Scholarship Fund consists of voluntary contributions by Councils, Chapters, Forums, members and friends of PDCA.

##### Membership:

There shall be six (6) trustees, at least three (3) but no more than five (5) of which shall be past Presidents or past Chairs. The remaining trustees shall be active members. Two (2) trustees shall be appointed by the Chair each year to serve a three (3) year term. The Chair shall annually appoint the Chair of the trustees.

##### Job Product:

Trustees are empowered and authorized to prescribe, promulgate, adopt and enforce all rules and regulations concerning the administration of the A. E. Robert Friedman PDCA Scholarship Fund.

#### PDCA Education Foundation

The purpose of this independent foundation shall be to provide educational opportunities to contractors in the coatings application industry. Contributions from friends of PDCA and receipts from fund raising events sponsored by PDCA Education Foundation shall fund the foundation.

##### Membership:

The Foundation shall be governed by five (5) trustees, three (3) of which must be Active Members of PDCA. The PDCA Treasurer is non-voting liaison to the PDCA Educational Foundation Trustees. The Trustees name their successors and elect their own respective officers; Chair, Vice Chair and Treasurer.

##### Job Product:

The trustees receive grant applications for financial support of projects from Association Committees, entities or staff. Grant applications shall be reviewed at least annually. Grants may be awarded based upon merit and available resources. The conduct of the Foundation and its administration shall be within the meaning of Section 501(c)(3) of the U. S. Internal Revenue Code and shall conform to all other applicable laws and regulations.

APPENDIX H

Submission for Policy, Bylaw, or Agenda Item

Submitted by:

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Date Submitted:

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On behalf of: (Self, Committee Name, Group, Entity, Staff, or Officer):

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(Please attach additional pages if necessary to complete Appendix H)

Proposed Policy/Bylaw language, with relevant existing Policy/Bylaw, or agenda item for action:

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This submission solves (please include relative background information, pros & cons, advantages/disadvantages, alternative approaches and/or consequences):

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## APPENDIX I

# Operations Information Update Request - Purpose

Approved October 2011

## Purpose of the Annual Operating Information Update

The PDCA Board requires PDCA Councils to collect information annually from their respective Chapters regarding operations. The purpose for gathering this information on the attached form is to assist PDCA in satisfying its legal and fiduciary responsibilities to insure that Councils and Chapters are operating in accordance with the PDCA Bylaws and Policy, and in a way that does not create liability for the parent organization. The request also seeks information to insure compliance with IRS requirements.

Starting in 2011, the information provided will be stored in a central repository at the PDCA National office. Councils and Chapters can access their information to support more efficient management of their organizations. For example, EIN numbers, bank account information, bank addresses, names of past officers or other information lost or misplaced due to changes in volunteer officers or changes in staff can be retrieved from this central repository. In addition, the form is designed to act as a checklist for Chapters to assist them in complying with legal requirements and best practices.

While "best practices" are not strictly mandated procedures, they do help the Chapters and Councils of an Association operate efficiently. More specifically in regard to financial reporting:

- If the Council or Chapter does not have written financial policies and operational procedures your board should seriously consider drafting and adopting them. Councils and Chapters that have put procedures or financial policies in place report that they are very pleased with the results. Such documents aid in stabilizing the organization when there are changes in the volunteer leadership and employee turnover. Fiscal policies result in proper check handling and bank account management.
- If you fail to file the required state reports your organization's corporation status will be revoked. If this happens your corporation will not be able to legally transact business. The procedures for filing the reports needed to maintain your corporation's active status and the procedures for reinstatements can in most cases be found on your State government web site. Be aware that the reporting requirements vary greatly from state to state.

The completed form is required no later than February 28, 20XX.

Return form to:

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Questions? Contact:

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# Operating Information Update Request – OIU Form

## Charter and Bylaws

- Does your Chapter have a copy of the Chapter Charter?  YES  NO
- Is there a copy of the Chapter Charter on the website at PDCA.org?  YES  NO  
If NO: please contact PDCA National at 314-514-7322 ext. 222 to assist with the posting
- Does your Chapter have a copy of its Bylaws?  YES  NO
- Is there a copy of the Chapter Bylaws on the website at PDCA.org?  
 YES  NO  DON'T KNOW  
If NO: please contact PDCA National at 314-514-7322 ext. 222 to assist with the posting
- Have changes been made to the Bylaws in the last year?  YES  NO  
If YES: please attach revised Bylaws to this response for posting to the PDCA Website

## Financial Information

- Please provide the organization IRS EIN# (Employer Identification Number)?  
  
*Note: (This is the Employer Identification Number issued by the IRS and required for all bank accounts)*
- Does the Chapter have written Policy and fiscal procedures?  YES  NO
- Is the Chapter incorporated?  YES  NO  DON'T KNOW  
If incorporated: does the Chapter have copies of state incorporation documents?  
 YES  NO  DON'T KNOW  
If incorporated: are required documents filed annually to maintain corporate status?  
 YES  NO  DON'T KNOW  
If NO or DON'T KNOW: take immediate steps to correct this matter by contacting your state department of corporations for forms and information.  
*Note: Failure to file properly may result in fines and penalties.*
- Has the required annual IRS Form 990 been filed?  YES  NO  DON'T KNOW  
If NO or DON'T KNOW: immediate action is required to prepare and/or confirm IRS Form 990 has been filed. Note: Failure to file the return may result in revocation of the Chapter income tax exemption. For information regarding which forms to file with the IRS review "IRS 990 Filing Requirements" (IRS Publication 4839) online at [www.irs.gov](http://www.irs.gov).
- Please provide a copy of year-end financial statements, i.e. profit & loss statement and balance sheet.
- Does the Chapter have a year-end reconciled bank statement(s)?  YES  NO  
If YES: - please attach a copy of the statement(s) to this response. Be sure the name and the address of the bank and account number are readable.
- Please provide names of the authorized signers on those accounts.
- Does your organization have employees?  YES  NO  
If YES: have all required state/federal employment taxes been paid/reports filed?  
 YES  NO  DON'T KNOW  
If NO" or "DON'T KNOW: take immediate steps to resolve this situation.  
*Note: Failure to pay employment taxes can result in significant fines and penalties.*

## Governance and Unit Activities

- Does the Chapter have up-to-date Directors and Officers Liability Insurance in place?  YES  NO
- Did your organization hold an annual meeting in the past year?  YES  NO  
If YES: please attach a copy of the agenda or meeting program.
- How many meetings and events did your Chapter hold in the past year? \_\_\_\_\_.
- Please attach a list of current organization officers and Directors (names and contact information).

Attestation of Responder

I (authorized signer) \_\_\_\_\_, state that I am the (officer title)  
\_\_\_\_\_ of the (Council or Chapter)

\_\_\_\_\_ and attest that I have reviewed the information  
submitted in this report and state that it is true and correct to the best of my knowledge.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX J

### Reimbursement Guidelines

Governance meetings are an integral part of Association's activities and volunteer input is essential to the continued success of PDCA. It is the Board of Directors intention that each individual volunteer will be reimbursed according to Policy. Please follow the guidelines and kindly direct any questions to the Treasurer and/or Executive Director. In any event, Directors shall not be reimbursed more than one thousand five hundred dollars (\$1,500.00) per Association event (except for Board of Directors meetings) unless prior approval is provided by the Treasurer. In most cases, all volunteers shall be reimbursed according to these guidelines.

#### General Director Travel Reimbursement Eligibility:

Eligibility for travel reimbursement for PDCA Directors begins simultaneous with the start of the Director's respective term. For newly elected Directors, the term begins at the conclusion of the Annual Convention as per PDCA Bylaws Article 7.7.3.B. Replacement Directors are eligible upon their respective Board of Directors approved election and seating.

#### Airline Reimbursement Guidelines:

Reimbursement shall be provided for coach fare utilizing best business practices for ticket purchases. Reimbursement shall be provided for funds actually spent. For example:

1. Although reimbursement shall be provided for coach fare, reimbursement will only be made if such coach fare is paid. If a Director travels at a reduced rate, reimbursement shall include only the reduced rate.
2. Frequent flyer miles for travel on Association business are not a reimbursable expense. Only funds actually spent and in accordance with the airline reimbursement guidelines are eligible for reimbursement.
3. Any airline bag fees charged for Director travel is eligible for reimbursement upon a submitted receipt.

#### Private Auto:

Reimbursement shall be provided at the optional standard mileage rate set by the IRS at the time the expense was incurred, plus tolls and parking. Any substantial deviation from a distance shown in a standard mileage guide must be documented.

1. In the event that a private auto is used in lieu of commercial air transportation, the lesser of coach class air fare or auto mileage shall be reimbursed. No reimbursement will be made for lodging en route in lieu of more efficient air travel.
2. Damage to personal autos while being used on Association business is not covered because a portion of the mileage reimbursement is intended to defray the insurance cost to the individual. Fines for traffic violations are not reimbursable.

#### Lodging:

Lodging accommodations shall be reimbursed at the rate provided by the Association's host hotel for each specific event and may extend from the night preceding the day of the meeting or business through the night of the last day of the meeting. In the event that the lodging expense has not been rated by staff, reservations must be made at least twenty-one (21) days prior to a meeting and include the cost of the standard lodging rate. Premium lodging such as, suites, larger rooms or multiple rooms shall be reimbursed at the standard lodging rate twenty-one (21) days in advance rate. Only lodging expenses directly related to the Association's event are reimbursable. Incidentals such as entertainment, personal phone calls, etc. are not reimbursable.

## Travel Per Diem:

Each Director shall receive a set rate of per diem for each day of PDCA travel as approved by the PDCA Board of Directors to encourage the most cost effective use of travel funds. Per Diem is paid to cover all daily food costs, airport transfers and other transportation costs, gratuities and other miscellaneous purchases. It is left to the Director to determine based use of per diem dollars. No specific receipts are required for the stated expenses. The per diem rate is \$57 per day as per IRS rules as of October 1, 2016. Example: A Director who is away from their business for three consecutive days of PDCA travel to a Board of Directors meeting will receive \$171 (3 x \$57). There is no need to collect receipts for meals, airport transfers, local transportation, gratuities, etc.

## Receipts and Documentation:

Reimbursement requests for airline and lodging expenses must include original receipts. In approved instances, if originals are not available, copies may be accepted. Expenses that are not properly documented may not be reimbursed.

- a. Charges for airline travel must be supported by the passenger receipt.
- b. Hotel charges must be supported by an itemized bill with evidence of payment.
- c. Reimbursement for private auto must be documented as per above described guidelines.
- d. Per Diem will be paid from the first day of required PDCA travel to the last of PDCA travel as per documentation.

Requests for reimbursements must be submitted within sixty (60) days of the event. No Policy can anticipate every situation that might give rise to legitimate expenses. Reasonable and necessary expenses, which are not listed, may be incurred. Each Director must use his/her best professional judgment in determining if an unlisted expense is reimbursable under this Policy.

Please note that Directors are strictly prohibited from accepting reimbursements or compensation directly from Councils, Chapters, Forums and Association entities. ALL Director reimbursements shall be administered from headquarters. Any variations from the reimbursement guidelines shall require Treasurer approval. Councils, Chapters, Forums and Association entities must reconcile any Director expense payments with headquarters.

In the event Directors receive Council, Chapter, Forum and/or Association entity compensation of any type, including, but not limited to, expense reimbursements, Directors shall report compensation, and to the Board of Directors within thirty (30) days. This requirement includes all compensation whether or not the Director was compensated in the capacity of a Director.

## APPENDIX K

### General Forum Policy

PDCA is committed to providing and supporting programs and services that meet the needs of PDCA members. It is apparent that there is an interest by members to associate with other members as related to special interests with the industry and within PDCA.

As per PDCA Bylaws, the PDCA Board of Directors may create Forums for the purpose of organizing and uniting PDCA members within an industry related special interest group to address issues and take common action. Said Policy requires that the Board of Directors establish general Forum Policy for the governance and operation of PDCA Forums.

It is understood that the success of the Forums is in large measure part of the success of PDCA. PDCA National is committed to the success of Forums. PDCA National will support Forum membership and Forum activities

The following outlines Forum Policy as approved by the PDCA Board of Directors.

**Forums Defined:** Forums are created by the PDCA Board of Directors to provide a venue for members with special interests to unite for common action (PDCA Bylaws Article V). For PDCA compliance purposes, Forums shall be considered PDCA Committees within the Bylaws and Policy yet retain the designation as Forums; allowing for insurance coverage including general liability and professional liability, IRS not-for-profit status under the PDCA group designation, recognizing Forum's affiliated status with PDCA.

**Forum Governance:** Forums shall be governed in a manner similar to that of PDCA by allowing the broadest amount of participation and oversight by respective Forum membership.

**Forum Bylaws.** Each Forum approved by the PDCA Board of Directors shall operate with a set of Bylaws that are approved by the PDCA Board of Directors (Board of Directors) or adopt PDCA Bylaws and govern according to an Operating Agreement with PDCA. Forum Bylaws and or an operating agreement shall be reflective of the PDCA Bylaws in respect to membership participation and governance. Forum Bylaws or operating agreements do not supersede PDCA Bylaws. Any changes to Forum Bylaws or an operating agreement shall be approved by the respective Forum membership and shall be submitted to the Board of Directors for final approval.

**Forum Board of Directors and Officers:** Each PDCA Forum shall be governed by a Board of Directors as approved by the respective Forum membership either at an annual meeting requiring a majority vote of those in attendance to elect the board or by a mail or electronic vote wherein a majority vote of the responding Forum membership elects Board. The Forum Board of Directors must be submitted to by the PDCA Board of Directors on an annual basis. The Forum Board of Directors shall hold an election of officers on an annual basis to include at minimum a Chair/President, a Vice Chair/President and a Treasurer. The Chair/President and Treasurer cannot be the same person, and any officers of the Forum must be active members of PDCA. The Treasurer cannot be a paid staff person of PDCA or the Forum. The Directors and Officers may serve terms no longer than those of PDCA Directors and officers as listed in PDCA Bylaws Article VII and VIII (7.3 and 8.3). The Chair/President is to preside over Forum meetings during the year and to liaison with the PDCA Board of Directors as needed. The Treasurer is responsible for the accurate reporting of all financial activities of the respective Forum.

**Forum Dues.** Any Forum dues change shall be submitted to the Forum membership for approval either at an annual business meeting or by electronic means in which all Forum members were notified and fifty one percent (51%) of respondents voted in the affirmative for the change.

Forum Governance Meetings. Forums shall hold at least one annual meeting wherein an election of the Forum Board of Directors and Officers shall be conducted.

Forum Financial Reporting and Policies: Because of the dependent relationships of Forums on PDCA compliance issues, Forums must keep accurate and transparent financial documentation for purposes of fiscal reporting.

Forum Financial Responsibility: In the event that a Forum approves dues the following procedures must be followed after invoicing and collection by PDCA National:

The Forum may choose to have PDCA National perform all accounting functions that include deposits, disbursements, drafts, accounts receivable and payable, check register, debits and credits, monthly and year-end financial statement preparation, and budget versus actual reporting; all provided with oversight by the Forum Board; or

The Forum may choose to perform all accounting duties described above separately from PDCA after receiving distributions from PDCA. This requires maintaining a separate bank account using the PDCA Employer Identification Number (EIN#) as required by the IRS.

It is the responsibility of the Forum Board of Directors to elect a Treasurer responsible for the financial activities of the respective Forum when maintaining a separate bank account. The Forum Treasurer must be a co-signer on all separate financial accounts and must provide a year-end financial report of all financial activities to the PDCA Board of Directors.

Forum Reporting and Compliance: The Forum Board of Directors shall submit the names of the elected Forum Board, the annual level of dues and the annual work plan to the PDCA Board of Directors by December 31 for the following year.

Forum Budgeting and Accounting Responsibilities: Each Forum shall submit no later than 3 months prior to year's end a budget for the upcoming year to be included in the PDCA upcoming year budget. The budget should include a list of revenue and expenses in general category form. In the event the Forum approves dues, performs and maintains their respective accounting functions, and the collection and disbursement thereof, the Forum must report financial activity to PDCA National on a calendar quarterly basis within 30 days of quarter end and calendar year-end financial report that includes a balance sheet (with proof of year end reconciliation to the respective Forum bank account), and profit and loss statement detailing the use of funds, and the fiscal year check register or complete deposit and disbursement list

Forum Contracts: Forums must submit any contracts (this only pertains to contracts and not any ordinary operating expense items) requiring more than \$2500.00 in total funding review and approval by the PDCA Executive Director in regard to financial capability and Bylaws/Policy compliance. Contracts exceeding \$10,000.00, including staffing contracts, must be submitted for review and approval by the PDCA Executive Director, PDCA Board of Directors and legal counsel in regard to financial capability, Bylaws/Policy compliance and legal exposure. All reviews to be facilitated in a timely manner.

Forum Work Product: All Forums are encouraged to create work products and services on an annual basis as determined from Forum membership input and share those goals with their respective membership. Forums shall include these work product plans in the annual work plan to be reviewed the PDCA Board of Directors. Any work product created by Forums is owned by PDCA; development costs and revenue sharing on tangible or nontangible work products to be negotiated between the PDCA Board of Directors and the Forum Board of Directors.

Forum Use of PDCA Collateral Material: Forums are encouraged to use the PDCA logo and promote the affiliated relationship with PDCA on all Forum collateral material. PDCA National will include Forum information in a reciprocal manner. This includes links to websites, Directories, publications, etc.

Forum Monitoring: Monitoring of Forum activity shall be conducted by the PDCA Board of Directors.



Forum Dissolution: As per PDCA Bylaws Article V.

## HISTORY OF POLICY REVISIONS

June, 2002	Original document created, incorporating appropriate existing PDCA Policy.
June 22, 2002	First reading of all Means policies at Special Board of Directors Meeting
July 30, 2002	Blue Ribbon Committee Edit as assigned by Board of Directors
August, 2002	Second reading, approved with effective date of March 30, 2003 in order to align Bylaws and implement aligned documents.
August, 2002	First reading of Ends 1.0-1.4
March, 2003	Edits: Housekeeping, alignment with Bylaws presented to Board of Directors as Bylaws Committee recommendations.
March, 2003	Second reading, Ends 1.0-1.4, approved 3/25/03 First reading, 4.5.7.B
March 25, 2003	2.7.1. G amendment, 4.5.12, 4.10.8. Contingently approved in alignment with Bylaws changes, effective upon passage of Bylaws which occurred on March 29, 2003.
March 29, 2003	Second reading/passage for policies 2.7.1.G, 4.5.12, and 4.10.8 were passed at the annual meeting by the full membership. 4.5.7 Members at Large category instituted and dues level established, replacing National Individual Member.
August 16, 2003	Second reading/passage for policies: 2.9.2A. and 4.5.7B First reading w 4/5 rule invoked/passage: 2.4.5
March 16, 2004	<p>Motion made, seconded and passed that the chart of Operational Committees be deleted from Sec. 2.7, Subparagraph 2.D            Same as above for paragraphs 5 and 6 Section 2.7 Subparagraph 1.A            Same as above that the language “during the timeframe of February 15 to April 15, and” be deleted from Section 4.10 Subparagraph 4.            Same as above that the language “When adopted, the,” be deleted and insert the word “The” on page 2 under introduction.            Same as above that the first three sentences in Appendix A under Preparation be deleted and the following language inserted “An Annual Convention shall be held each year.”            Same as above that the paragraph in Appendix D under Registration Fees be deleted as it is redundant.</p> <p>First Reading: Proposed changes to Policy:</p> <p>2.1 Governing Style</p> <ol style="list-style-type: none"> <li>1. 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 may use the expertise of individual members to enhance its ability as a body, rather than to substitute the individual judgments for the Board’s values.</li> </ol> <p>Proposed New Policy</p> <ol style="list-style-type: none"> <li>a. When a Board member has any organizational/operational question or concern, he/she will bring the issue directly to the Executive Committee for clarification or attention. If, in the view</li> </ol>

	<p>of the inquiring Director, the issue is not considered appropriately by the Executive Committee, that Board member may exercise the option of making a formal written request to the EC to place the item on the full Board agenda for discussion.</p> <p>The Board will only discuss the issue after the following has been established:</p> <ul style="list-style-type: none"> <li>i) the issue is a shared concern among the Board,</li> <li>ii) it is an appropriate issue for the Board to discuss, and</li> <li>iii) what the Board has already said about the issue.</li> </ul> <p>2.3 Board Code of Conduct</p> <p>8. Board members will uphold and promote PDCA's public image and credibility.</p> <p>Proposed New Policy:</p> <ul style="list-style-type: none"> <li>a. To protect the public reputation and credibility of PDCA, proper channels for communication must be observed. Consequently, individual Board member communication shall not be broadcast by electronic means, including email and fax, beyond the EC and Executive Director, until the issue is appropriately considered by the EC or Executive Director, at which time the Board Chair will determine whether the issue needs to be officially disseminated to the full Board.</li> </ul>
<p>August 21, 2004</p>	<p>Proposed changes to Policy, approved on a second reading:</p> <p>2.1 Governing Style</p> <ul style="list-style-type: none"> <li>1. 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 may use the expertise of individual members to enhance its ability as a body, rather than to substitute the individual judgments for the Board's values.</li> </ul> <p>Proposed New Policy</p> <ul style="list-style-type: none"> <li>b. When a Board member has any organizational/operational question or concern, he/she will bring the issue directly to the Executive Committee for clarification or attention. If, in the view of the inquiring Director, the issue is not considered appropriately by the Executive Committee, that Board member may exercise the option of making a formal written request to the EC to place the item on the full Board agenda for discussion.</li> </ul> <p>The Board will only discuss the issue after the following has been established:</p> <ul style="list-style-type: none"> <li>i) the issue is a shared concern among the Board,</li> <li>ii) it is an appropriate issue for the Board to discuss, and</li> <li>iii) what the Board has already said about the issue.</li> </ul>

	<p>2.3 Board Code of Conduct</p> <p>8. Board members will uphold and promote PDCA's public image and credibility.</p> <p>Proposed New Policy</p> <p>a. To protect the public reputation and credibility of PDCA, proper channels for communication must be observed. Consequently, individual Board member communication shall not be broadcast by electronic means, including email and fax, beyond the Executive Committee and Executive Director, until the issue is appropriately considered by the Executive Committee or Executive Director, at which time the Board Chair will determine whether the issue needs to be officially disseminated to the full Board.</p>
January 01, 2005	<p>During the March 16, 2004 Board of Directors Meeting, a member dues increase was proposed on First Reading. On August 21, 2004 the proposed dues increase failed to be approved as result of technical changes that required the dues increase to be placed on First Reading again. On January 26, 2005 the dues increase was approved by the Board of Directors retroactive to January 1, 2005.</p> <p>The following actions were placed on First Reading during the August 21, 2004 Mid-Year Board of Directors Meeting, and/or offered as a PDCA Bylaws amendments during the January 22, 2005 Annual Board of Directors Meeting and January 26, 2005 Annual Business Meeting.</p> <p>Membership:</p> <ol style="list-style-type: none"> <li>1. That the category of Trial Member be added to the list of membership categories.</li> <li>2. That the category of Student Member be added to the list of membership categories.</li> </ol> <p>Councils &amp; Chapters: In cases of membership in one or more Chapter, the Active Member must designate one (1) of the sponsoring Councils to which the Active Member's vote shall be counted.</p> <p>These proposals were approved at the January 26, 2005 PDCA Annual Business Meeting.</p>
June, 2005	Revision to Mission Statement.
July 19, 2005	Commitment to the advancement of Craftsmanship in the industry.
July 25, 2005	Removed from Appendix F Item #3. Painting Contractor Educational Partnership Trust (PCEP).
August 29, 2005	Updated Appendix A – PDCA Code of Ethics with Board of Directors approval (Mid-Year Board Meeting, July 19 & 20, 2005).
January 28, 2006	<p>The following additions were placed on First Reading during the August 29, 2005 Mid-Year Board of Directors Meeting.</p> <p>Ends: Add to Policy 1.5 "PDCA members are engaged in determining the future of the painting and decorating profession and industry."</p>

	<p>Chapter/Council Relations: Each PDCA Council, Chapter and other sub-divisions of PDCA shall provide attestation to good not-for-profit organizational practices by completing the Operational Review Policy Form (Appendix I) and delivering the completed form to PDCA National Headquarters.</p> <p>Executive Limitations: Fail to build a consistent brand identity through the use of the PDCA logo that appears in the style guide. That logo should appear on all PDCA stationary, marketing material, websites, newsletters, publications, etc., put out by National Headquarters and all Councils, Chapters and Forums. The style guide is available upon request from the National Headquarters.</p> <p>The new logo needs to be implemented in the field as expediently as possible. Of course there are considerations to be made in regard to existing stationary stock, the response times for website maintenance, etc. Therefore, full implementation should occur within 16 months (commencing January 2006).</p> <p>These proposals were approved on second reading at the January 28, 2006 Board of Directors Meeting.</p>
August 18, 2007	<p>The following addition was placed on First Reading during the Board of Directors Meeting and passed by the 4/5 rule:</p> <p>Ends: Delete the “.” At the end of the paragraph and append the following language “, including efforts to sustain a continuous influx of qualified entrants into the trade.”</p> <p>With Board of Director approval the PDCA Distinguished Service Award was changed to the Richard A. Liddeke Distinguished Service Award.</p> <p>With Board of Director approval of the L.E. Travis, Jr. Craftsman of the Year award recognizing the finest painting and decorating craftsmen was added to the Policy.</p>
January 26, 2008	<p>The following addition was placed on First Reading during the Board of Directors Meeting and passed by the 4/5 rule:</p> <p>Proposed Policy Language or Agenda Item for Action:  Ref.: Policy 2.1 new item 10: Board of Director meetings are open to executives and all members in good standing.</p> <p>The following addition was placed on First Reading during the Board of Directors Meeting and passed by the 4/5 rule:</p> <p>Replaces current language:  1.5 PDCA members are engaged in determining the future of the painting and decorating profession and industry, including efforts to:</p> <ul style="list-style-type: none"> <li>A. identify, develop and educate present and future leaders for PDCA and the industry, and</li> <li>B. sustain a continuing influx of qualified entrants into the trade.</li> </ul>

August 23, 2008	Board of Directors approved substantial proposed changes to the Policy in order to align the Policy with the new Bylaws approved January 2008. The major changes were in section 2 with the addition of the Governing Documents Committee, the creation of the Policy Alignment Committee and the new Appendix J, reimbursement guidelines.
November 8, 2008	Board of Directors approved substantial proposed changes to the appendices in order to align the appendices with the new Bylaws, which were approved January 2008.
May 15, 2009	Section 2.2 Board of Directorss' Election Procedures approved.
Aug. 26, 2009	Appendix F: eliminated the type of report, frequency and date due columns, and added the facilitator and monitor columns.
Oct. 10, 2009	Appendix C: realigned the presentation of the descriptions of each award to a similar format.
Feb. 6, 2010	Appendix F – Add definitions of Monitor and Facilitator and deleted “external” from financial auditor references throughout the chart. Policy Section 2.8.2.A.i: added “with specific granted authority.” Policy Section 2.8.2.A: added “One (1) Director must have been a prior PAC or GDC member, and/or have been a Past President/Chair or Past Vice Chair. Members should be named to two (2) year terms, and the terms of all three (3) should not coincide.” Delete Appendix H, Board of Directors' Compliance Monitoring and renumber as necessary.
Oct. 23, 2010	Policy Section 2.6 Officer Role Updates: as approved by the Board of Directors.
Feb. 10, 2011	Policy 4.5 Financial Conditions & Activities: New dues level approved, ME1-A at \$220 for members with annual sales \$200,000 or less. MAL1 dues were changed from \$430 to \$330.
Feb. 27, 2011	Policy 2.8.2.b.ii Finance Committee: adds wording clarifying the budget development process. Appendix K: Forum Policy: adds language iterating Forum Policy.
June 4, 2011	Appendix J: Changed reimbursement Policy; implemented a new per diem for food and miscellaneous expenses @\$52 per day.
Sept. 13, 2011	Policy 2.2. Active Member Director Elections 2.I: Changed ballot counting process; ballots to be counted by Corporate Counsel Policy 2.2 Past President/Past Chair Director Elections: Changes voting process for election of Past President seat on Board of Directors. Policy 2.2 Associate Director Elections: Changes the voting process for associate seat on Board of Directors.

Oct 14, 2011	<p>Policy 2.8.2.B Finance Committee: Adds a new “i” paragraph written procedures for financial status for Board of Directors review. Adds two active members to the Committee; adds investment monitoring responsibility.</p> <p>Policy 2.8.2.G Investment Committee: Deleted; duties added to Treasurer and Finance Committee.</p> <p>Policy 2.9.4 Chapter Minimum Standards: Adds language iterating minimum operating standards for PDCA Chapters and replaces the ORP Form with the Operations Information Update Request and Form for annual reporting from PDCA units.</p> <p>Appendix I: Operations Information Update: Replaces ORP form.</p> <p>Appendix K: General Forum Policy: Adds new Forum Monitoring paragraph.</p> <p>Policy 4.11.9 Communication &amp; Board Support: Changes deadlines for submission of Board of Directors material prior to meetings.</p> <p>Policy 5 Investment Policy: Codifies the Investment Policy approved by the Board of Directors in 2008 as is into PDCA Policy. Changes references from Investment to Finance Committee.</p>
Jan 10, 2012	<p>Policy 2.9.4 Council Minimum Standards: Adds language iterating minimum operating standards for PDCA Councils.</p>
Mar 6 , 2013	<p>Appendix E: AERF Trustees: Increased the number of Trustees, the make-up and existing succession.</p>
Oct 18, 2013	<p>Policy 4.5.21 Dues Schedule: Eliminated Tiers, Set PDCA National dues at \$299, Set MAL Dues as \$299, Set National Associate Dues at \$1250, Set Past Service Dues at \$50.</p> <p>Policy 2.8.C.ii Officers Nominating Committee: Added a 14 day notice prior to the election.</p>
May 27, 2014	<p>Policy 2.6.3.A Vice Chair Role: Clarified liaison role on GDC.</p> <p>Policy 2.8.2.A. Vice Chair Role: As per 2.6.3.A, added wording to specify Vice Chair as liaison.</p> <p>Policy 2.8.2.D Vice Chair Role: Clarified liaison role on GDC.</p> <p>Policy 4.10.3 Membership Database: Deletes handbook.</p>
Jul 25, 2014	<p>Policy 2.8.2.A: Policy Alignment Committee: added “if possible language to membership make-up; added staff and Executive Director complaint process.</p>
Mar 4, 2015	<p>Policy 2.2: Board of Director Elections Procedure: Changes Director elections from regional nominating Committees to National Nominating Committee.</p>
Sep 24, 2015	<p>Policy 2.2.1 Board of Directors Nomination Procedures: Board of Directors: Defines Board of Directors make-up</p> <p>Policy 2.2.2: Director Preferences: Defines experience required to be a Director.</p> <p>Policy 2.2.3 National Nominating and Recruitment Committee: Defines Committee make-up, job products, Director orientation and nomination timeline.</p> <p>Policy 2.8.2. A Compliance and Resolutions Committee: Combines the prior Policy alignment Committee, credentialing Committee, issues resolution Committee, public resolutions Committee into one Committee. Defines Committee make-up and job products.</p>



Nov 20, 2015	Policy 2.2.1, 2.2.3, 2.2.4 Board of Director Election Procedures: Clarify elections by region.
Nov 30, 2016	Policy 2.21A and 2.21B Board of Directors: Changes number of Directors from nine voting and one non-voting to six voting and one non-voting member. Decreased regional representation from three each to two each.
Nov 30, 2016	Policy 2.2.3BIII National Nominating and Recruitment Committee: Create associate group consisting of Director prospects to observe board proceedings as a means to prepare candidates for service.
Dec 21, 2016	Policy 2.8A.2A, 2.8A.i, 2.8A.ii, 2.8A.iii, 2.8A.iv: Clarification of Policy 2.8.2A for consolidation of multiple Committees into a single Governance Committee.
Feb 16, 2017	Policy 2.8, 2.8.B.iii.F, 2.8.D.ii.A: Board of Directors Committee structure upgrades terminology, further defines 2.8.B.iii.f. Changes time frame in 2.8.D.ii.A to 45 days.
Feb 16, 2017	Policy 2.7 Board of Directors Committee principles rewords or deletes 2.7.1 to 2.7.9. Replaced wording.
Feb 16, 2017	Policy 2.6 Officer's roles verbiage updated.
Feb 16, 2017	Policy 2.5 Agenda planning format updated.
Feb 16, 2017	Policy 2.2.1.E Paragraph changes 2/3 to 3/4, deletes 2.3 and 2.4 and replaces verbiage.
Feb 16, 2017	Policy 2.1 Governing style is deleted and replaced with updated verbiage.
Feb 16, 2017	Policy 2 Governance process deleted wording and replaces with update verbiage.
Feb 16, 2017	Various housekeeping items to reflect Executive Director to Executive Director and to correct typos and capitalization references to all PDCA entities.
Feb 16, 2017	Cover update with adopted dates, content page updated, introduction page modified and Carver style wording removed, Glossary removed
Jan 18, 2017	PDCA Policy Introduction Page – deleted 'and in particular means' Appendix B - Added Forums to list of entities Appendix C – clean up errors and format remove Government Affairs Services and replaced with Board of Directors Appendix F – Deleted Appendix G – Deleted Appendix K – Forum Monitoring – deleted ' Policy Alignment Committee' and added PDCA Board of Directors