

**Michigan Soybean Association
Policies and Procedures**
Approved at the MSA Board Meeting on 6/9/10
(Revised on 9/29/16)

PURPOSE: Clarify policies and procedures of the Michigan Soybean Association (MSA).

OBJECTIVE: Provide an understanding of the policies and procedures of the MSA for current and future board of directors and contracted staff to reference.

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I. *MSA Contract with MSPC and Affiliation with ASA*

- a. **Overview:** The Michigan Soybean Promotion Committee (MSPC) offers limited staff, equipment, and facilities reimbursable at cost to the MSA for conducting business both as an affiliate of the American Soybean Association (ASA) and on behalf of MSA members in representing their interests in activities prohibited to be undertaken by the MSPC.
- b. **Contract:** MSA presents a fiscal year contract to MSPC proposing contracted staff time needed to accomplish their activities geared towards increasing value to Michigan's soybean industry. Contract approval and signatures of both parties are needed to effectuate the agreement.
- c. **Staff/Board Interaction:** Due to the contractual relationship between MSA and MSPC, evaluations, salary/benefit details and employment decisions will be done by MSPC.
- d. **MSA as an Affiliate of ASA:** For the most part, contracted staff's guidance will come from the MSA board, but MSA must remember that MSA is also an affiliate of ASA and need to comply with its Affiliation Agreement with them. MSA is allowed representation on the ASA board based on ~~membership numbers~~ Affiliate investment levels as set by ASA in the Affiliation Agreement (*updated 9/29/16*). MSA is also allotted several delegates based on membership numbers to represent MSA at the national resolution session.
 - 1. **ASA Director and Delegate Selection and Reporting:** As the Michigan state affiliate of ASA, the MSA directors are responsible for the selection of an ASA director(s) and delegates to represent MSA. The MSA requests that national directors and delegates report activities of the ASA board, its committee meetings and/or caucus and resolution sessions to the MSA board at appropriate meetings.
 - 2. **National Board Meetings:** State board members are encouraged to attend periodic ASA board meetings. Contracted staff shall notify directors of this opportunity.

II. MSA Board of Directors

a. Director Position Responsibilities:

A director may serve up to three full three-year terms as set in the By-Laws of the MSA. Each director shall maintain their director status after the expiration of this term until their successor shall be duly appointed or elected and qualified. Together, directors are responsible for establishing, maintaining and achieving annual and long-term objectives and goals, as well as meeting all obligations as established by the board.

Directors are also responsible for the development of clear MSA operational policies and procedures. The MSA board ensures that proper management personnel and systems are in place and ensure efficient and effective functionality. MSA's board must monitor to ascertain that MSA effectively carries out its responsibilities to its members.

A director is expected to be an advocate for MSA and the activities undertaken by the MSA. Each director should be an active participant and supporter of the MSA both at board meetings and in between meetings, especially within their district as well as being fully supportive of majority board decisions.

b. Specific Responsibilities: Each director is individually responsible for their performance as part of the board. The MSA board must effectively satisfy each of the following specific responsibilities:

1. Establish a mission statement, vision, goals and strategic objectives for MSA that will provide a view of MSA's future (*updated 9/29/16*).
2. Monitor the organization's financials to ensure performance consistent with budget expectations, strategic objectives and policies.
3. Facilitate the effort of individual district director elections in cooperation with the Nominating Committee Chair to ensure competent board members who will govern in harmony with all directors.
4. Represent members in individual districts to assure their interests are voiced, heard, understood, addressed and communicated.
5. Interface with other similar state and national organizations to maintain a dynamic environment to enable future direction to be one of planned change, not crisis management.
6. Be an active participant in the organization's policy development and action to assure grassroots initiation and maximum accountability of stakeholders' interest.
7. Be an active participant in reviewing and updating MSA's Strategic Plan, Policies and Procedures, By-Laws, Articles of Incorporation and other documents as MSA desires.

c. Conflict of Interest: When voting on an issue which may be deemed as a conflict of interest, the board member with the conflict shall be required to excuse themselves from participating in or voting on any matter involving the conflict. Even if no conflict of interest is found, board members are strongly encouraged to exercise their best judgment and excuse themselves from participating in or voting on matters where there is the appearance of a conflict of interest.

d. Antitrust Avoidance: MSA is a not-for-profit organization. It is not organized for and may not play any role in the competitive decisions of its members or in any way restrict competition among members or potential members. Rather it serves as a forum for a free

and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice. Directors will review the MSA's Antitrust Avoidance Statement annually and sign an acknowledgement of agreement.

e. **MSA Board Meetings:**

1. Location: Meeting locations will be determined by the board at the meeting preceding the next board meeting and could depend on sponsors of a meeting, central location for directors, competitively priced venue and other factors to be taken into consideration.
2. Frequency: Meetings may be held quarterly throughout the year as directed by the board. Typically these will be held around December, March, June, and September, but could vary. The Reorganizational/Annual Meeting of the board of directors shall be held immediately following the Annual Meeting of Members.
3. Traditional Agenda: Each regular meeting's agenda will follow along our MSA Program Areas and will also include a review of financials and minutes. At regular meetings, associate/allied industry partner reports are encouraged.
4. Electronic Board Meetings: MSA directors elected to move to fully electronic board meetings beginning in FY17. Each director is to provide their own electronic tablet for use at each meeting. Board meeting agendas and available supporting documents will be posted at MSA's director-only website seven to ten days prior to the board meeting for each director's preparation in advance of board meeting attendance (*added 9/29/16*).

f. **Covered Expenses:**

1. Per Diem: MSA directors do not receive a per diem for their activities as a volunteer on the board.
2. Expenses: Directors will receive mileage reimbursement at ~~a rate of \$.35/mile (revised 9/12/12)~~ the IRS rate (*revised 2/10/16*) for attending board meetings and other meetings approved by the MSA board. Director reimbursement for expenses incurred (airfare, hotel, meals, parking, mileage and registration fees) while participating at a national soybean related meeting will be determined by the board. Some of these expenses may be covered by other corporate sponsors or ASA.

To be considered for reimbursement, an expense report must be completed including an indication of the program/reason for travel, signed and dated by the participant and submitted to the MSA office for review, approval and signature of the contracted executive director. If a director chooses to take an alternative method of transportation to an out-of-state meeting instead of flying to an approved meeting, the amount reimbursable is that of the flight if it is at a lower expense to the Association. Proof of researched cost of a flight for the date and time needed to get the director to and from a meeting is to also accompany actual receipts when an alternate method of travel is selected instead of flying. Flights should be sought out a minimum of 30 days before the approved program whenever possible, and the most reasonable flight timeframe, travel path and cost be selected. All receipts must be provided.

Reimbursable director expenses while traveling and attending meetings are only those necessary for the director to do their business for MSA. Ineligible expenses will be deducted from the director's reimbursable expenses. Expense reimbursement is only

eligible for the business portion of the meeting, not for expenses incurred by director for additional time or days they choose to add on to a meeting.

3. **Reimbursement:** Director expense reimbursement will be paid, whenever possible, by the end of the month in which the expense was incurred.

g. Board Insurance:

1. **General Liability Insurance:** The MSA is included on MSPC's General Liability Insurance/Umbrella policy to protect the organization and its assets.

Directors and Officers Liability (D & O): D & O insurance will be provided to protect the Board of directors, committee chairs, and contracted staff from liability and legal defense costs associated with the actions and decisions of the Board of directors. D & O coverage will be reviewed periodically by an attorney (*reinstated 9/28/16*).

2. **Publishers Liability Insurance:** Contracted staff will ensure that Publishers Liability insurance is secured if recommended by legal counsel. (*revised 9/15/10*)

h. Program Area Representative (PAR): To enable each director to better understand MSA, each of the nine directors will have oversight of a different Program Area. Program Areas correspond with those listed in the *MSA Project Activities and Accompanying Budget book* directors receive annually (*updated 9/29/16*). This concept encourages each director to be more involved in the details of their respective Program Area and the director will then be able to report back to the board and fellow members. By rotating the areas each year that a director is overseeing, they will better understand the different facets involved in the various MSA program areas.

Contracted staff will work one-on-one with each PAR as activities, budget preparation, meetings, etc. evolve which are pertinent to their Program Area. After the annual executive board elections are completed, directors will select their desired PAR-Program Area to oversee (*updated 9/29/16*). Although this process encourages a director to better understand one Program Area, it does not excuse them from having a working knowledge of other program areas as well.

- i. **MSA Producer/Director Representative to attend MSPC Board Meetings:** At the August 22, 2002 MSPC Board Meeting, directors approved the reimbursement of direct expenses (e.g., mileage) to an MSA director/MSA representative for attending and reporting on MSA activities at regular MSPC board meetings. MSA director/MSA representative is to submit an expense report to the MSPC office for payment of reimbursable direct expenses.
- j. **Director Election Process:** The MSA's By-Laws stipulate membership shall vote for the nominees presented by the nominating committee or nominated from the floor, as well as the order the election shall be conducted (*revised 9/29/16*).

III. Fiscal Year, Budgeting and Financial Accountability

- a. **Fiscal Year Definition:** MSA's fiscal year is October 1 – September 30.
- b. **Overview:** The MSA will budget expenses based on four its Program Areas: Administration, Corporate Relations, Membership and Public Affairs/Policy. Income will come into the areas

such as ~~ef~~ Dues, Corporate Support and Interest Income. Contracted staff, with board input, will create written project descriptions within each Program Area as well as an accompanying line item budget. Expenditures within approved ~~project~~ Program Area budgets do not need additional board approval. Projected expenses outside of these ~~project~~ Program Area budget parameters require board review/approval (*revised 9/29/16*).

- c. **Timeframe:** Planning for the new fiscal year is an ongoing process. The actual project/program development is to be designed for discussion at a summer (typically June) board meeting, and suggested changes and direct expense budgets completed for board approval at the final board meeting of the fiscal year preceding the year the budget and projects are being proposed for.

- d. **Board Controls for Addressing Financial and Performance Results:**

- 1. Contracted staff will develop and provide monthly financial reports to include a minimum of an income statement and balance sheet that should be reviewed by the full board. These will be posted at the MSA's director-only website as soon as they are available (*revised 9/29/16*).
- 2. An annual financial review will be conducted by the president and appointed budget committee members with a Certified Public Accountant hired to create the MSA's annual report to be filed with the IRS on Form 990. The budget committee shall provide its findings to the board for further action and the completed tax form will be given to all directors for review (*revised 9/29/16*).
- 3. An annual review of the past fiscal year's activities including financial analysis is encouraged with help from contracted staff along with the PARs at fiscal year's end.
- 4. An annual, written description of planned activities and their accompanying budgets is required for the new fiscal year budgeting process.
- 5. Full cooperation of both contracted staff and board is expected to facilitate any ~~state~~ performance or financial audit of our activities (*revised on 9/15/10*).

- e. **Financial Accountability:**

- 1. **Bill Payment:** Contracted staff will review bills received, place appropriate account codes on them and issue payment. Bills will be paid weekly unless extenuating circumstances exist.
- 2. **Check Signature:** The board has given ~~two~~ one (*revised 6/16/15*) contracted staff members and the officers of the board signature authority. Any check payment in the amount of \$1,000 or more requires two signatures with at least one signature being a board officer. Single check payments under \$1,000 require one signature which may be either that of an authorized contracted staff member or board officer. Checks to pay the contracted executive director's expenses (such as an expense report or credit card statement) will be reviewed and signed by a board officer(s) (*revised 9/8/15*).
- 3. **Banking Investments:** Contracted staff's responsibility is to consult with the board treasurer to make recommendations for these investments but board approval is required prior to the actual investment initiation.
- 4. **Reconciliation:** The contracted staff person completing the checkbook and money market reconciliations will initial/date them. The contracted executive director will then review and approve the reconciliations and initial/date. The reconciliations will then be

forwarded to a board officer (typically the treasurer), for their review, approval and initials. A stamper will be used for consistent initialing on the forms.

5. **Policy on Memorials:** Upon the death of a current or past board member, their spouse, immediate family member (parent or child) or others as deemed appropriate by contracted staff or the board, a \$50 memorial will be sent from the MSA to the family or their memorial of choice.
6. **Non-Sufficient Fund Policy (Added 12/15/10):** In the event of a check returned due to Non-Sufficient Funds (NSF), the MSA will charge \$25. The originator of the check will be contacted immediately by at least one of the following: 1. Phone call, 2. Registered letter and/or 3. Email.

If the check was intended for a membership, the membership will be terminated after 30 days if the NSF fee has not been received by MSA. If the potential member wishes to join MSA at a later time, they must pay the current member dues and the \$25 NSF fee.

- f. **Credit Card Policy:** ~~Fulltime (changed 3/24/11)~~ Contracted (revised 9/29/16) personnel may be issued a credit card to be used only for MSA business. It must be returned to the MSA upon the end of contractual work with MSA. Staff shall retain copies of all charge slips or receipts related to MSA business, place name and appropriate account code(s) on them then give them to appropriate contract staff upon return to the office. If non-MSA business expenses are inadvertently charged to the card, these will be rectified upon receipt of the credit card statement with the contracted staff person making the charges. ~~A minimum charge of \$25.00 per transaction is required (revised 9/12/12).~~ Contract staff will issue a new card upon return of any expired/expiring card. Lost or stolen cards are to be reported immediately to the contracted executive director and/or appropriate contracted staff so proper action can be taken to avoid unauthorized use.

IV. Membership

- a. **MSA Dues:** MSA's dues amounts are to be reviewed and changed as needed by the board with the understanding that part of the set dues amount is to be submitted to ASA per the Affiliation Agreement (revised 9/29/16).

The annual dues of MSA shall be \$75 of which ~~\$33 shall be retained by MSA and \$42 shall be used to pay the annual membership dues of said member in ASA (revised 9/29/16).~~

An optional three-year membership is available where MSA dues shall be \$190 of which ~~\$69 shall be retained by MSA and \$121 shall be used to pay the three year membership dues of said member in ASA (revised 9/29/16).~~

An optional lifetime membership is also available where MSA dues shall be \$750 of which ~~\$250 shall be retained by MSA and \$500 shall be used to pay the lifetime membership dues of said member in ASA (revised 9/29/16).~~

Current members who have had consecutive membership for a minimum of 15 years shall receive Lifetime Loyalty status and will be notified of such when they attain that status (new 9/29/16).

- b. **Delegates:** District delegate numbers will be set by the MSA board based on the number of members in each district. The MSA board shall select delegates for each district (*deleted 6/16/15*).

- eb. **Policy Advocacy:** MSA directors, based on direction set by MSA members, shall determine policy advocacy.

V. Education and Training

- a. **Approval:** MSA members and directors are encouraged to become involved in various leadership training and educational programs offered at the state and national level. Prior to traveling, MSA board approval must be given with clear intent of the trip noted and timeframe(s) involved. The MSA board will select participants annually for any such training opportunities.
- b. **Expenditure/Documentation:** All travel costs such as transportation expense, meals, registration fee, hotel, etc. – exclusive of liquor at open bars, spouse travel and personal items not related to the approved travel – can be reported on an expense report. The report must indicate purpose of travel, is to be signed and dated by the participant, and be reviewed, approved and signed by the contracted executive director. If a participant chooses to take an alternative method of transportation to an out-of-state meeting instead of flying, the amount reimbursable is that of the flight if it is at a lower expense to the MSA. Proof of researched cost of a flight for the date and time needed to get the participant to and from a meeting must also accompany actual receipts when an alternate method of travel is selected instead of flying. Such proof should be obtained a minimum of 30 days before travel whenever possible, and the most reasonable flight timeframe, travel path and cost be selected. Receipts must be provided for all expenses.

Expense reimbursement is only eligible for the MSA approved portion of the program, not for expenses incurred by participant for additional time or days they choose to add on to a program.

- c. **Program Report:** The participant must provide an oral and/or written report for board review with as much detail as necessary to provide evidence of any benefit received.

VI. Organizational Operations

- a. **Opening Mail Accounts Receivable Policy:** (*revised 9/29/16*)

1. **Overview:** Safeguards must be in place to prohibit the same contracted staff member from opening the mail and effectuating financial transactions without another contracted staff member reviewing these activities.
2. **Process:** The contracted executive assistant (EA) opens the daily mail, appropriately enters/records financial receipts and other materials received by MSA and then provides the contracted executive director (ED) with any receipts and supporting documentation for review. When doing a membership batch, the EA provides the ED with a Batch Report of the total for checks/cash received. The ED verifies the total with the actual forms, receipts and other supporting documentation. The ED then records the total receipts for each week on an MSA Income for the Month of report. The EA deposits the receipts. The deposit record, Batch Report and forms are given to the contracted financial director (FD) to record in the General Ledger/Check Registry. After a deposit has been made, the ED verifies the deposit ticket with the amount recorded on the MSA

Income for the Month of report. The deposit ticket is given to the FD who verifies it with the Batch Report, attaches deposit ticket to the packet and files the packet with the accounting records. At month end the FD reconciles the bank statements, initials and gives to the ED for reconciliation with the MSA Income for the Month of report and the ED initials the bank statements. In addition, the EAFD (*revised 9/29/16*) reviews any non-renewing memberships for the current month and prepares final dues invoices to be mailed to each and also looks ahead to the next month's memberships that are coming due and prepares a first dues invoice to be mailed to each.

b. Records:

1. **Retention Timeline:** The MSA shall retain current year records plus five years on-site. Prior years may be retained off-sight or disposed of at the discretion of the board. Electronic files shall be retained for as long as deemed necessary, or filed as appropriate to the document type (*revised 9/29/16*).
2. **Public Records:** Records (financial, minutes, etc.) of the MSA are available to members, contracted staff, the CPA and legal authorities of the MSA.
3. **Membership Database:** The membership database will be available to members for recruitment purposes, and as approved by the board on an individual request basis, and to ASA per the Affiliation Agreement with MSA (*revised 9/29/16*).

c. Independent Contractor Agreements: Any Independent Contractor who is contracted to perform a specified task must have a signed agreement on file which specifies duration, insurance, general activities, reporting procedures and a contract beginning and ending statement.

d. Making Changes to Policies and Procedures:

1. **Overview:** Contracted staff and directors are to continually review and make suggested changes or additions to these *MSA Policies and Procedures*.
2. **Guidelines:** Changes that do not dramatically change the meaning but are only to increase the clarification of a policy or procedure may be recommended at the contracted staff's discretion without any specific notations within revised sentences ("cosmetic" changes). Changes necessitating an explanation, or thought to require past policy recollection will be added with the latest wording of the past policy kept, but typed with letters that are printed in a struck through font. If a "third change" is made to a policy, only the current and one preceding policy will be kept on record. Additions will be noted as "added" along with the date. Revisions will be noted with "revised" along with the date revision was made. Motions do not need to be made by the board to accept the MSA Policies and Procedures as revised or added as the board has already accepted this working document.