

POLICY 100

BOARD OF DIRECTORS - RESPONSIBILITIES

OBJECTIVE

To establish clearly the obligations and functions of the Board of Directors to enable them to act in their area of responsibility and accountability.

POLICY CONTENT

In accordance with the above objective, the Board of Directors will function under the following policy:

- 1) To Provide Legal Entity
 - a) That the legal requirements as set forth in the Articles of Incorporation, Bylaws and regulations applying to the Cooperative are complied with regularly, including, but not necessarily limited to:
 - i) All federal, state and local statutes and ordinances
 - ii) Federal Energy Regulatory Commission
 - iii) Rural Utilities Service (RUS, formerly REA)
 - iv) National Rural Utilities Cooperative Finance Corporation
 - v) Federal Communications Commission
 - vi) Federal and state tax agencies
 - b) Holds and protects the assets of the Cooperative
 - c) Holds well-planned and effectively-conducted meetings often enough to keep informed; to provide needed policies, facilities, and financing and to assure desired results. All matters coming before and pending before the Board of Directors shall be treated as confidential until such time as the matter has been finally determined and released.
 - d) Approves selection of Cooperative's attorney.
 - e) Studies and revises Bylaws as necessary or required.
 - f) Executes legal contracts such as loan agreements, engineering service agreements and contracts, and wholesale power contracts. Any document relating to monies borrowed from RUS or others.
 - g) Approves applications for membership.
 - h) That accurate minutes of Board and membership meetings are prepared and maintained.

- i) To elect delegates/representatives to represent Coweta-Fayette EMC at meetings or organizations to which the corporation is affiliated by membership.
 - j) To act ethically with good behavior at all times when representing the Cooperative or when engaged in any official or unofficial function of the Cooperative, including complying with all requirements set forth in Section 414 (Harassment), which is incorporated herein by reference, and shall not initiate and shall avoid wherever possible any physical display of affection to any employee, member or guest of the EMC or while representing the EMC.
- 2) To Provide Trusteeship
- a) Conducts well-planned annual meetings as one means to adequately inform the members, obtain their ideas and suggestions, and to obtain their understanding and acceptance of the Cooperative's objectives, goals, policies and plans.
 - b) Informs the members of the end results of the operations through the Cooperative's ongoing public relations and communication process.
 - c) Be familiar and comply with the Board policies and Bylaws of the Cooperative as amended from time to time.
 - d) Keeps informed and growing in their own skills and understanding as Board members.
 - e) Assists new Board members to develop a greater understanding and acceptance of their functions.
 - f) Participates in such outside activities as are deemed advantageous to enhance the public relations of the Cooperative, broaden the scope of the Cooperative's operation, fulfill the public obligations of the Cooperative as a member of the community and the Rural Utilities Service.
 - g) That a continuous program of member and public relations is carried out to obtain understanding and acceptance of the Cooperative's objectives, viewpoints, policies, plans and programs.
 - h) Keeps the members informed of problems faced by the Cooperative which require their support.
 - i) Invites the participation of the members in planning and carrying out programs which affect them.
 - j) That the relationship between the Corporation and the Rural Utilities Service and National Rural Utilities Cooperative Finance Corporation "CFC" is that of borrower and lender. The borrower will request and accept advice and assistance from the lender to enable the borrower to strengthen the security of the Rural Utilities Service and establish stronger consumer ownership control to be better able to meet its obligations to the government and its members.
 - k) The Board of Directors recognizes its responsibility in establishing and delegating authority to the President/CEO to execute and carry out its policies.

- l) The executive officer, the Chairman of the Board of Directors, shall be the spokesman for the Board, except in cases where written communications are necessary. These communications shall come under the hand and seal from the Board, and at its direction.
- 3) To Consider and Adopt Short- and Long-Range Plans
 - a) Determines the ideals, viewpoints, objectives, major goals and end results desired through interpretation of the Articles of Incorporation and Bylaws.
 - b) Determines, in consultation with the President & CEO, the guiding policies of the Cooperative.
 - c) Reviews and approves annual work programs and plans as developed and recommended by the President & CEO.
 - d) Reviews and approves the operating budget in terms of the end results, risks and evidence of conditions promising to attain desired and results.
 - e) Considers and adopts, in consultation with the President & CEO, financial plans and policies essential to maintaining a sound financial structure.
 - f) Considers and adopts, in consultation with the President & CEO, broad personnel policies essential to provide opportunities for growth and development of employees.
 - g) Determines, in consultation with the President & CEO, policies for maintaining good member-owner relations, public relations and wise energy management.
- 4) To Provide Operating Requirements
 - a) Authorizes the monies, facilities and equipment necessary to carry out the objectives of the Cooperative.
 - b) Appoints committees, as necessary, and receives reports and recommendations from the standing committees; takes appropriate action as a result of such reports.
 - c) Selects and employs a competent President & CEO. The President & CEO is delegated the responsibility and authority to select the employed personnel and terminate their employment if such becomes necessary.
 - d) Delegates to the President & CEO the authorities and responsibilities as described in his/her position description approved by the Board.
 - e) May advise the President & CEO, upon his/her request, in regard to specific managerial decisions which are his/her delegated responsibility to make and for which results he/she is to be held accountable.
 - i) The Board of Directors shall avoid making decisions or giving instructions to the President & CEO when it is giving advice.
 - ii) The Board of Directors shall share with the President & CEO in the responsibility for the end results should it direct him/her to make a specific managerial decision.
- 5) To Establish Controls Which Can Be Used in Appraising the Effectiveness of the Operations

- a) Reviews periodic reports from the President & CEO and checks for conformity to the approved viewpoints, objectives, policies, major goals, plans and programs. These reports should be sufficient in scope to enable the Board of Directors to:
 - i) Prevent unauthorized action
 - ii) Determine how operations in key performance areas are progressing
 - iii) Predict trends and forecast results on the basis of trends
 - iv) Determine where changes or remedies are needed to prevent serious deviations
 - v) Establish source of material for planning or re-planning
 - vi) Measure performance against budget
 - vii) Measure performance against plans
- b) Reviews the annual financial audit and sees that such remedial actions as necessary is taken.
- c) Reviews any independent management audit and sees that its recommendations are carried out.

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