

BOARD GOVERNANCE POLICIES

Meher Spiritual Center, Inc.

Myrtle Beach, SC

Introduction

Avatar Meher Baba designated Meher Spiritual Center as His "Home in the West," and He gave its corporate Charter His approval. This Charter provides for a nonprofit corporate "governance," with a Board of Directors acting as steward. In an effort to develop an optimal structure for fulfilling the purposes of the Charter, the current Board has spent the past year reviewing and revising the workings of the Meher Center. The result is this document that summarizes the responsibilities of the Board, the Administrator and the staff of the Meher Center, and the processes by which the Center is to be managed.

This document has been modeled upon an approach that has been successful in many other nonprofit corporations. The basic idea is that the Board of a Corporation should provide policy and direction, and that the implementation of that policy should be carried out by an Administrator who is accountable to the Board for the fulfillment of its policies and directives.

It is the Board's role in this governance process to act as temporary steward of Meher Baba's Center and the Meher Spiritual Center Corporation. The Board's purpose is to ensure that the purposes of both are fulfilled in a manner befitting the Avatar. The Board serves at the pleasure of the Avatar, and accordingly its objectives must be established and its actions and decisions must be made only with the aim of pleasing Him. The Board must then always keep in mind Meher Baba's wish that the Center Retreat, established out of His love for all of us, be kept as a place for "rest, meditation and renewal of the spiritual life." It must act in accordance with His statement that the Retreat is "for those who love and follow Me and for those who know of Me and want to know more." It must be mindful that the Corporation's Charter calls for specific services to Meher Baba and to the beneficiaries of His gift of the Meher Center, but also allows for other activities. Details of those services and activities are contained in Section One of this document.

Although the Board's major focus lies with strategic, long-term policy, it is also the Board's responsibility to ensure that the Meher Center's purposes are satisfactorily fulfilled. Accordingly, the Board is obligated to direct, control and inspire the Corporation by means of clear written policies defining and reflecting the Board's values and perspectives. The policies that follow, based on objectives to be fulfilled and means and actions to be avoided, are aimed at accomplishing that.

Meher Baba, the Avatar of the Age, always worked in the world in the most pragmatic and natural ways. In some respects, the language of this document may not appear to reflect the qualities of the heart and spirit that lie at the core of Beloved Baba's Center. After careful deliberation, however, the Board decided that this language provides a necessary level of clarity. Every element in this document has been prompted by the desire to serve Meher Baba most faithfully and to serve the purposes of the Meher Center to the fullest extent possible.

This statement of policy is intended to be a living document, responsive to Meher Baba's wishes and to the needs of the beneficiaries of His gift of the Center. Accordingly, any section may be updated over time. It is essential that the most recent version of the document be used for reference.

Ultimately, then, this document should be judged by the results it helps to bring about, that is, the degree to which Baba's wishes, as expressed in the Meher Center's Charter and other statements and directives, are fulfilled. May His Grace shine upon these efforts, and upon the efforts of all those now and in the future who attempt to serve the Beloved through whatever involvement they may have in the care of His home.

Board of Directors
Meher Spiritual Center, Inc.
November 15, 2009

TABLE OF CONTENTS

Introduction

Section 1: Ends

- 1.1 Retreat Availability
- 1.2 Dissemination of Meher Baba's Teaching
- 1.3 Preservation
- 1.4 Render Service to Others

Section 2: Executive Limitations

- 2.1 Asset Protection
- 2.2 Administrator Availability and Continuity/Succession
- 2.3 Committees
- 2.4 Communication and Support to The Board
- 2.5 Dissemination of Information
- 2.6 Render Service to Others
- 2.7 Financial
- 2.8 Physical Development
- 2.9 Programming
- 2.10 Public Relations
- 2.11 Safety and Security
- 2.12 Staff and Volunteers
- 2.13 Treatment of Center Guests

Section 3: Linkage to Owner/Beneficiaries

Section 4: Governance Process

- 4.1 Board Job Description
- 4.2 Criteria For Board Membership
- 4.3 Governing Style
- 4.4 Board Members' Code of Conduct
- 4.5 Agenda Planning
- 4.6 Presiding Officer's Role
- 4.7 Board Committee Principles
- 4.8 Monitoring Administrator Performance
- 4.9 Cost of Governance
- 4.10 Administrator Selection and Development

Section 5: Board-Administrator Linkage

- 5.1 Board-Administrator Relationship
- 5.2 Accountability of the Administrator
- 5.3 Unity of Control

Section One: Ends

This section specifies the major results that the Board commits the Corporation to achieving. These Ends will be reviewed on a regular basis, both to monitor their accomplishment and to update them. The Administrator is charged with the accomplishment of the Ends.

CORPORATION ENDS

All activities of the Meher Center have as their basic foundation an adherence to the principles and spirit of Meher Baba's teaching and example of love and service, and a recognition of the essential unity of all things. Therefore, based on those principles and spirit, and upon the provisions of the Charter of the Meher Spiritual Center, Inc., the Corporation has three ends:

1. Ensure a retreat experience focused on Meher Baba and reflecting His directives that such retreat be for rest, meditation and renewal of the spiritual life. The experience will be supported by:
 - a. Providing facilities, amenities, and conditions conducive to a retreat atmosphere dedicated to Meher Baba
 - In keeping with a master plan that guides Center development.
 - b. Providing appropriate programs for overnight guests, day visitors, the Baba family, and youth.
 - c. Ensuring preservation and maintenance of: places of special association with His visits to the Center (the Barn, Lagoon Cabin, and Baba's House - to remain unchanged in structure and use and in 100% repair "as nearly as possible," {1} as per Meher Baba's wishes); Baba treasures and historical materials; grounds and structures; and the natural quality of the environment, conducive to serving the purposes of the Meher Center.
 - In keeping with a preservation/conservation policy.
2. Disseminate Baba's teaching through a publicly accessible library, programs at the Meher Center, and other vehicles (e.g. Web site).
3. Render service to others - the Corporation will implement or support programs that provide service to others, with particular attention to basic necessities for the poor and needy.

FOOTNOTE

{1} This is a quote contained in a letter from Mani to Elizabeth Patterson, dated June 10, 1958: "...Baba wants you to keep the Lagoon Cabin, Barn and His House as nearly as possible as it was when He was there---i.e. arrangement, furnishings, cushions, etc....I've underlined 'as possible' because when not, you are not to worry at all."

V/11/15/09

Section Two: Executive Limitations

This section specifies restrictions on the overall latitude that the Administrator is provided. The Administrator can accomplish the Corporation's Ends in any way, as long as reasonable judgement is exercised and Executive Limitations are observed. These Limitations will be updated periodically, especially as new Ends are created or current Ends are modified.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: ASSET PROTECTION 2.1

The Administrator shall diligently maintain and preserve all property and possessions in an active and responsible way. Therefore, the Administrator may not:

2.1.1. Allow buildings, building contents, or grounds to fall into disrepair (including any deviation from the Meher Center's Preservation/Conservation Policy).

2.1.2. Allow tools, vehicles, equipment and like property to be maintained in such a way as to limit their usefulness or longevity.

2.1.3. Allow the pristine quality of the natural environment of the Center to deteriorate in any way.

2.1.3.1. Fail to enlist the help of skilled professionals in ongoing management and monitoring of the Center's ecological preservation.

2.1.4. Allow development or physical change along the borders of the Center to go without notice or without bringing information of such development to the attention of the Board.

2.1.5. Fail to keep abreast of all changes in local, state, federal, or other governmental laws that would affect the security or longevity of the Center.

2.1.6. Fail to maintain adequate insurance coverage for the Retreat.

2.1.7. Fail to protect intellectual property, information and files from loss or significant damage or unauthorized use (including any deviation from the Center's Preservation/Conservation Policy).

2.1.8. Unnecessarily expose the organization, its Board of Directors, staff and volunteers to claims of liability.

2.1.9. Take or allow any action that jeopardizes the Center's federal and state nonprofit status.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: ADMINISTRATOR AVAILABILITY AND
CONTINUITY/SUCCESSION

2.2

The Administrator must either be readily available to the Meher Center or must ensure executive coverage in his/her absence. Therefore, the Administrator must not:

2.2.1. Fail to provide for regular, qualified, and adequate backup for brief absences of up to two weeks and to inform the Board and appropriate staff and volunteers in advance.

2.2.1.1. Fail to maintain a Board-approved roster of individuals to fill in when the Administrator is absent for brief periods.

2.2.2. Fail to give sufficient advance notice to the Board for anticipated extended absences so an interim Administrator can be appointed by the Board.

2.2.3. Fail to ensure continuity between changes in temporary and permanent Administrators through adequate exchange of information.

2.2.4. Fail to ensure an adequate record of information and/or exchange of information is available to a permanent successor.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: COMMITTEES

2.3

Considering the myriad issues that face the Meher Spiritual Center and the resources that are available through the love of His lovers, the Administrator must ensure appropriate involvement and expertise of committees in the planning and conduct of activities addressing these issues. Therefore, the Administrator may not:

2.3.1. Fail to inform the Board with reasonable advance notice of creation or change of committees and appointment of members and chairs to allow for Board input.

2.3.2. Fail to keep apprised of the volunteer resources that exist in the local and greater Meher Baba communities.

2.3.3. Fail to establish basic rules of conduct to be observed by committees concerning the treatment of committee members with emphasis on treating volunteers with due respect, fairness and dignity.

2.3.4. Neglect to make available to qualified volunteers opportunities to serve, and to encourage committee chairs to invite possible volunteers to serve.

2.3.5. Neglect to allow for the rotation of chairs of committees, when appropriate.

2.3.6. Fail to ensure that composition of committees is appropriate to the task and provides a balance of relevant perspectives.

2.3.7. Fail to sufficiently monitor the committees in order to assist the committees in operating at peak effectiveness and creativity.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD 2.4

With respect to providing information and counsel to the Board, the Administrator must ensure that the Board is kept properly informed in a timely way. Therefore, the Administrator may not:

2.4.1. Neglect to submit monitoring data required by the Board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.

2.4.2. Let the Board be unaware of: serious incidents which disturb the retreat experience of guests; of relevant trends and events; anticipated negative media coverage; issues of liability; and significant external and internal changes, particularly changes in assumptions upon which any Board policy has previously been established.

2.4.3. Fail to advise the Board if, in the Administrator's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Staff Relationship, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Administrator.

2.4.4. Fail to marshal for the Board as many staff and external points of view, issues and options as needed for well-informed Board choices.

2.4.4.1. Fail to assist the Board in conducting consultations with staff, committees, key volunteers, and the Baba family as required.

2.4.5. Present information in unnecessarily complex or lengthy form.

2.4.6. Fail to provide an effective and appropriate mechanism to facilitate communication between the Administrator and the Board.

2.4.7. Fail to deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.

2.4.8. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

2.4.9. Fail to carry out established (i.e. written/formal) Board policy.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: DISSEMINATION OF INFORMATION 2.5

The Administrator must ensure the availability and dissemination of information about Meher Baba's life and message, as well as about the Meher Center, to visitors and interested parties. In doing so, he or she may not:

- 2.5.1. Fail to ensure that such materials are accurate in detail and appropriate in tone.
- 2.5.2. Create new or substantially revise existing literature, material, or information for dissemination without formal Board approval.
- 2.5.3. Fail to ensure that any literature, materials or information distributed by the Center are done with Board approval.
- 2.5.4. Fail to ensure that any materials created by the Center be done with Board approval.
- 2.5.5. Fail to ensure that all literature, materials and information related to Meher Baba which are generally available on the Center be appropriate in tone and be an accurate and balanced reflection of Meher Baba's life and message.
- 2.5.6. Fail to follow Board Dissemination Policy that includes use of the Center's archival materials and appropriate technology.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: RENDER SERVICE TO OTHERS

2.6

The Administrator, in implementing or supporting programs of service to others, may not:

2.6.1. Involve the Corporation in any charitable activity that promotes principles and purposes contrary to those held by the Corporation, as expressed in its Charter.

2.6.2. Fail to observe all laws, rules, and regulations governing 501(c)(3) organizations.

2.6.3. Fail to follow Board-established criteria that will apply to all grants and gifts made by the Corporation to ensure that they are made on the basis of real need.

2.6.4. Fail to include appropriate documentation of all grants and gifts.

2.6.5. Fail to ensure that none of the charitable activities will create a negative public relations issue.

2.6.6. Fail to communicate appropriate opportunities to volunteer for service activities in the greater Myrtle Beach community.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: FINANCIAL

2.7

The Administrator must adhere to sound and prudent fiscal and budgetary policies which do not jeopardize the financial strength and integrity of the Meher Center. Therefore, he or she may not:

2.7.1. Make changes in Endowment investment strategy.

2.7.2. Settle payroll and debts in other than a timely manner.

2.7.3. Use restricted contributions for any purpose other than that required by the contribution.

2.7.4. Publicize the financial operations of Meher Center, Inc. beyond those individuals directly involved in its financial activities.

2.7.5. Acquire, transfer, convey or dispose of real property, or incur any debt out of the ordinary course of business.

2.7.6. Allow budgetary planning and subsequent spending to deviate in any given fiscal year from the policies of the Board of Directors.

2.7.7. Allow budgeted expenditures to exceed income, using conservative budget projections based on previous years' data, unless a budget overrun is reasonably anticipated, it is reported in a timely and clear manner to the Board, and a budget amendment to accommodate the over-run is approved by the Board.

2.7.8. Allow budgeting and spending procedures that contain too little information to allow accurate tracking and evaluation of real vs. budgeted income and expenses.

2.7.9. Allow budgeting that does not include the preparation of separate Operations and Endowment budgets.

2.7.10. Allow projection or execution of a budget category (line item) dollar change from the previous year of 20% or greater. Should any line item or items exceed the aforementioned 20% dollar change, then budgetary projections for the following year shall not be based upon the eventual expenditure, but rather the allowable limits as expressed in 2.7.10. If expenditures for any line item should be less than appropriately budgeted for a current year, the following year's budget for that line item may be based on the previous year's budgeted amount if necessary.

2.7.11. Allow budget planning and implementation without significant opportunity for review by the Board of Directors to determine compliance with and in furtherance of Board policy.

2.7.12. Fail to provide support for Board fund-raising efforts.

2.7.13. Fail to follow Board Financial Policy.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATION

POLICY TITLE: PHYSICAL DEVELOPMENT 2.8

The Administrator will ensure that all development of the physical property is done in a careful and responsible manner. Therefore, the Administrator may not:

2.8.1. Allow any new projects to be developed in such a way that would not maintain the aesthetic continuity of the Meher Center, i.e.: simple forms, sensitive scale, natural materials, and careful placement of structures.

2.8.2. Allow any new or renovation work to proceed without full compliance with all laws, codes, and ordinances of all agencies and jurisdictions that have regulating authority.

2.8.3. Allow implementation of any new projects that are inconsistent with an overall master plan for land use approved by the Board of Directors.

2.8.4. Undertake any new physical development without a specific land use plan or impact study.

2.8.5. Undertake without Board approval any new physical structure project whose estimated cost exceeds \$20,000 in realistic time, materials and labor cost.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: PROGRAMMING

2.9

The Administrator must ensure robust and dynamic programming focused on the life and message of Meher Baba. Therefore, the Administrator may not:

2.9.1. Fail to obtain Board approval for new programming or for any significant changes in existing programs.

2.9.2. Fail to identify opportunities for new forms of programming, with input provided by a program committee.

2.9.3. Fail to provide the necessary and appropriate logistical, staff and financial resources to support that programming.

2.9.4. Fail to provide regular monitoring of programs for content and appropriateness.

2.9.5. Fail to follow Board Policy regarding group gatherings at the Meher Center.

2.9.6. Regarding the Youth Sahavas, a program especially designed for youth, which provides them an opportunity to deepen their relationship with Meher Baba and the Baba family, the Administrator may not:

- a. Fail to ensure that the number of participants does not exceed the capacity of the Center's infrastructure.
- b. Fail to ensure the primary focus of activities and programs at the Sahavas is on the life and message of Meher Baba.
- c. Fail to make available the opportunity to become aware and appreciative of the unique atmosphere of Meher Baba's presence at the Center.
- d. Fail to provide young people with information about Meher Baba, His life and His work.
- e. Fail to enforce the Center's policies and directives, and the Sahavas guidelines, with emphasis on appropriate behavior at the Center.
- f. Fail to ensure the physical safety and security of the participants, staff and volunteers.
- g. Fail to protect buildings, equipment, property and grounds from damage.

- h. Fail to communicate effectively to the participants, staff, volunteers, and Board all pertinent information regarding the Youth Sahavas.
- i. Fail to ensure that the Board is kept informed of major crises and issues as they arise during the Youth Sahavas preparation and conduct/execution.
- j. Fail to design monitoring strategies and opportunities for Board members to observe and be informed about everything covered by the Youth Sahavas Executive Limitations.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: PUBLIC RELATIONS

2.10

The Administrator must ensure positive and supportive relationships with members of communities and groups that can help to protect the Meher Center. Therefore, the Administrator may not:

2.10.1. Fail to respond in a timely manner to legitimate inquiries from the media.

- a. Fail to develop a relevant press kit, or other instruments, which reflect the nature and purposes of the Center, updated as needed.

2.10.2. Fail to consult the Presiding Officer and whomever else the Presiding Officer appoints prior to communicating with the media on sensitive or controversial issues.

2.10.3. Fail to include in a proactive public relations effort the following persons: Horry County officials; Briarcliffe Acres officials; Horry County Police; North Myrtle Beach Police.

2.10.4. Take any action or allow any action to be taken by staff or volunteers which casts or which may cast the Center in a light which is inaccurate, detrimental, or embarrassing to the Center.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: SAFETY AND SECURITY

2.11

The Administrator will strive to create a safe environment for retreat visitors and may not:

2.11.1. Fail to provide for and to inform guests of appropriate safety rules and safety precautions to be taken while on the retreat grounds.

2.11.2. Fail to enforce the Center's rules in regard to safety.

2.11.3. Fail to reasonably provide for the physical security of the guests, and of the buildings, grounds, fixtures, and equipment of the Center.

2.11.4. Fail to establish and maintain a network of local resources (police, medical and psychiatric) available in emergency situations.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: STAFF AND VOLUNTEERS

2.12

The Administrator shall maintain and develop an adequate and well-performing staff and team of volunteers in fulfillment of Meher Center's needs. Therefore, the Administrator may not:

2.12.1. Fail to sufficiently and appropriately utilize staff and volunteer resources in a sustainable manner.

2.12.2. Treat staff and volunteers in other than a respectful and dignified manner.

2.12.3. Allow staff and volunteers to be maintained who are not capable or willing to fulfill their core responsibilities.

2.12.4. Allow disharmony among staff and volunteers to go unattended.

2.12.5. Allow staff and volunteers to be subject to unsafe and unhealthy conditions.

2.12.6. Fail to provide for reasonable training and development of staff and volunteers to enable effective job performance.

2.12.7. Fail to promote volunteer opportunities to those in the local community and beyond.

V/11/15/09

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: TREATMENT OF CENTER GUESTS

2.13

The Administrator must provide conditions which are fair, dignified, and consistent with the way Meher Baba would want us to treat His guests. Therefore, the Administrator may not:

2.13.1. Fail to ensure that guests are treated in a loving manner.

2.13.2. Fail to ensure the cleanliness and safety of living accommodations, kitchens, and public areas.

2.13.3. Fail to provide reasonable protection of Meher Center's guests from offensive or disruptive behaviors that would interfere with their retreat experience.

2.13.4. Fail to obtain safety, medical and/or psychiatric assistance when appropriate.

2.13.5. Fail to maintain a system for obtaining and utilizing meaningful feedback from Center guests.

V/11/15/09

Section Three: Linkage To Owner/Beneficiaries

The Board specifically defines to whom it is ultimately responsible.

POLICY TYPE: LINKAGE TO OWNER/BENEFICIARIES

POLICY TITLE: CORPORATION LINKAGE TO OWNER AND BENEFICIARIES 3

3.1.1. Meher Baba is the owner of the Corporation. His guests and those who are connected to the Meher Center are the primary beneficiaries.

3.2.2. Ultimately, the Board is responsible for fulfilling Meher Baba's stated purposes as given through His Charter and related statements. The Board also recognizes the importance of governing with the trust of the beneficiaries and that it take specific actions to engender that trust.

3.2.2.1. The Board will communicate on a regular basis with the primary beneficiaries to provide for informed decision making on behalf of the Center.

V/11/15/09

Section Four: Board Governance Process

The Board's role, internal composition, and operating procedures are described.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD JOB DESCRIPTION

4.1

The job of the Board is to represent the owner in determining, enabling and demanding appropriate organizational performance.

Accordingly,

4.1.1. The Board will produce the link between the organization and the ownership.

4.1.2. The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.

- a. Ends: Organizational products, effects, benefits, outcomes, recipients, and their relative worth.
- b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
- c. Governance Process: Specifications of how the Board conceives, carries out, and monitors its own task.
- d. Board-Administrator Linkage: How power is delegated and its proper use monitored; the Administrator's role, authority, and accountability.

4.1.3. The Board will produce assurance of Administrator performance (against policies in 2a and 2b.)

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: CRITERIA FOR BOARD MEMBERSHIP 4.2

The Board will ensure that it is composed of individuals who possess the commitment and attributes required to provide effective governance for the Corporation.

Accordingly,

4.2.1. All Board members will have an extensive commitment to, knowledge about, and familiarity with Meher Baba, His ways and teachings, and His specific mission for the Corporation and the Center.

4.2.2. All Board members should have:

- The propensity to think in terms of systems and context.
- The ability and eagerness to deal with vision, values, and long-term issues.
- The ability to participate assertively and productively in deliberation.
- The willingness to delegate to the Administrator.

4.2.3. The majority of Board members will be from the Myrtle Beach area.

4.2.4. Board composition will attempt to reflect the larger community it serves, provided all the above criteria can be fully met.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: GOVERNING STYLE 4.3

The Board will govern with an emphasis on (1) vision more than implementation (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of Board and Administrator roles, (5) collective rather than individual decisions, (6) future more than past or present, and (7) proactivity rather than reactivity.

Accordingly,

4.3.1. 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 will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values. The Board will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.

4.3.2. The Board will direct, control, and inspire the organization primarily through the careful establishment of Board written policies reflecting the Board's values and perspectives about Ends to be achieved and Means to be avoided. The Board's major policy focus will be on the overall objectives of the organization, not on the administrative or programmatic means of attaining those effects.

4.3.3. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

4.3.4. The Board will monitor and discuss periodically the Board's process and performance. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Administrator Linkage categories.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT

4.4

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

4.4.1 Members must represent unconflicted loyalty to the interest of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.

4.4.2. Members must avoid conflict of interest with respect to their responsibilities, fiduciary or otherwise.

- a. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
- b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote but also from the deliberation.
- c. Board members must not use their positions to obtain employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign.
- d. Members will annually disclose their involvement with other organizations, with vendors, or any other associations that might produce a conflict.

4.4.3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

- a. Members' interactions with the Administrator or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
- b. Members' interactions with public, press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
- c. Members will not undermine the roles of the Administrator, staff or other Board members through the expression of individual judgments or behaviors.

4.4.4. Members will commit to the following team principles and hold one another accountable to them:

- Dealing with one another directly and constructively concerning significant conflicts.
- Maintaining confidences as agreed.

- Supporting the expression, explanation and resolution of differences among members.
- Following through on commitments; being accountable to the group.
- Operating by consensus to the extent possible.
- Looking out for one another's interests and concerns.
- Being fully prepared for meetings.
- Keeping one another (and the Administrator when appropriate) informed through emails, phone calls, etc. on all matters of potential or immediate impact of significance related to the Center.
- Not voting by email as a general rule. If the Presiding Officer determines it necessary to have an email vote, he/she will establish the ground rules prior to the vote being taken, which will include the voting procedure.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: AGENDA PLANNING 4.5

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

Accordingly,

4.5.1. The annual Board meeting cycle will allow planning and budgeting to be based on accomplishing a one-year segment of the Board's most recent statement of long-term ends.

- a. The annual Board meeting will set the agenda for the coming year, including:
 - a.1. Consultation with selected groups, committees, and individuals for desired input will be determined and arranged for in the first quarter, to be held during the balance of the year.
 - a.2. Governance education and education related to Ends determination from any chosen sources will be arranged in the first quarter, to be held during the balance of the year.
- b. The semiannual Board meeting will complete the review of long-term ends for purposes of monitoring and updating.
- c. Additional Board meetings will be held as needed.

4.5.2. Administrator monitoring will be incorporated in Board meetings as appropriate.

4.5.3. Board review of Administrator's performance and Administrator's salary and benefit adjustments will be done prior to the beginning of the fiscal year.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: PRESIDING OFFICER'S ROLE 4.6

The Presiding Officer assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly,

4.6.1. The job result of the Presiding Officer is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

- a. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the Administrator.
- b. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.

4.6.2 The Presiding Officer is authorized to use any reasonable interpretation of the provisions in the policies on governance process and Board-Administrator linkage, except where the Board retains authority to itself or specifically delegates portions of this authority to others.

- a. The Presiding Officer is empowered to chair Board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing.)
- b. The Presiding Officer has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Presiding Officer has no authority to supervise or direct the Administrator.
- c. The Presiding Officer may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
- d. The Presiding Officer may delegate this authority to another Board member but remains accountable for its use.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD COMMITTEE PRINCIPLES

4.7

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

Accordingly,

4.7.1. Board committees are to help the Board do its job, never to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have dealings with current staff operations.

4.7.2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Administrator.

4.7.3. Board committees cannot normally exercise authority over the Administrator. Because the Administrator works for the full Board, he or she will not be required to obtain approval by a Board committee before an executive action, unless otherwise directed by the Board.

4.7.4. Board committees are to avoid overidentification with organizational parts rather than the whole. Therefore a Board committee that has helped the Board create policy on some topic will not be used to monitor Administrator performance on that same topic.

4.7.5. Board committees will be used sparingly and ordinarily in an ad hoc capacity.

4.7.6. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the Administrator.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: MONITORING ADMINISTRATOR PERFORMANCE 4.8

Monitoring Administrator performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of the Administrator's performance, formal or informal, may be derived only from these monitoring data:

4.8.1. The purpose of monitoring is primarily to determine the degree to which Board policies are being fulfilled. Information that does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.

4.8.2. A given policy may be monitored in one or more of three ways;

- a. Internal report: Disclosure of compliance information to the Board from the Administrator.
- b. External report: Discovery of compliance information by a disinterested external auditor, inspector, or individual who is selected by and reports directly to the Board. Such reports must assess executive performance only against the policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be standard.
- c. Direct Board inspection: Discovery of compliance information by a Board member, Board committee or the Board as a whole.

4.8.3. Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Ends and each Executive Limitations policy will be classified by the Board according to frequency and method.

4.8.4. At each annual meeting or at such other times annually as the Board designates, the Board will have a formal evaluation of the Administrator. This review will be a comprehensive evaluation of the Administrator's executive performance relative to the full range of Ends and Limitations and any other factors that the Board deems essential to the Administrator's satisfactory fulfillment of the job.

4.8.4.a. In addition, interim reviews of the Administrator's performance may take place at any time the Board deems necessary.

4.8.5. All reporting should:

- reflect appropriate input from relevant committees and individuals.
- be provided in a manner that meets the Board's informational needs.

- be presented in a manner that allows this information to be digested as efficiently as possible.
- be presented in a manner conducive to its value exceeding its burden.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: COST OF GOVERNANCE

4.9

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

Accordingly,

4.9.1. Board skills, methods, and supports will be sufficient to assure governing with excellence.

- a. Training, retraining, and consulting will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing members' skills and understandings.
- b. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to fiscal audit.
- c. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to beneficiaries' viewpoints and values.

4.9.2. The Board is committed to investing sufficiently in the development of its own governance capacity and will do so prudently.

V/11/15/09

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: ADMINISTRATOR SELECTION AND DEVELOPMENT 4.10

An Administrator will be selected and developed to ensure the effective and responsible implementation of Board policy.

Accordingly,

4.10.1. The Administrator will be selected based on the following criteria:

- a. An extensive commitment to, knowledge about, and familiarity with Meher Baba, His ways and teachings, and His specific mission for the Corporation and the Center.
- b. Ability to successfully organize and supervise the work of paid and volunteer staff.
- c. Credibility with the Board, staff, and community.
- d. Communication skills in dealing with matters inside and outside the Center.
- e. A high level of responsibility, reliability, and integrity.
- f. Fundamental knowledge and skills for administering a nonprofit corporation.

4.10.2. Understanding that no Administrator will be fully competent in all areas and the evolving nature of the Center's administrative needs, the Board is fully committed to the ongoing development of the Administrator through:

- Performance feedback.
- Relevant job-related training.
- Other assistance as needed.

V/11/15/09

Section Five: Board-Administrator Linkage

This section specifies the relationship between policy-making (through the Board) and policy execution (through the Administrator).

POLICY TYPE: BOARD-ADMINISTRATOR LINKAGE

POLICY TITLE: BOARD-ADMINISTRATOR RELATIONSHIP 5.1

The Administrator shall act in a prudent, ethical, legal and reasonable manner in fulfilling the specified results or ends of the Corporation, Meher Spiritual Center, Inc.

5.1.1. The Board will direct the Administrator to achieve specified results on Ends. The Board will limit the latitude the Administrator may exercise in practices, methods, conduct, and other means by establishing Executive Limitations policies.

5.1.2. As long as the Administrator uses any reasonable interpretation of Ends and the Executive Limitations policies, the Administrator is automatically authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. However, the final interpretation of the Ends and the Executive Limitations is reserved to the Board of Directors; and the Ends must be achieved and the Executive Limitations must be observed by the Administrator to the satisfaction of the Board.

5.1.3. The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and Administrator domains. But so long as any particular delegation is in place, the Board and its members will respect and support the Administrator's choices. This does not prevent the Board from obtaining information in the delegated areas.

5.1.4. Only decisions of the Board acting as a body are binding upon the Administrator. Decisions or instructions of individual Board members, officers, or committees are not binding, except in rare instances where the Board gives specific authorization. In fulfilling his/her role as a steward of the Meher Center, any Board member should feel free to observe or inquire about any facet of Center operations or records. Requests for information and assistance by Board members, acting as individuals in the conduct of Board business, should be honored unless these are seen by the Administrator as excessive, unreasonable or disruptive, in which case the Board should be notified.

V/11/15/09

POLICY TYPE: BOARD-ADMINISTRATOR LINKAGE

POLICY TITLE: ACCOUNTABILITY OF THE ADMINISTRATOR 5.2

All authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Administrator.

Accordingly,

5.2.1. The Board (individually or collectively) will refrain from giving binding orders to persons who report directly or indirectly to the Administrator.

5.2.1.a. The only exceptions are the rare emergency situations where no other source of authority is readily available, or in cases of clear violation of Meher Baba's directives.

5.2.2. The Board will refrain from evaluating, either formally or informally, any staff other than the Administrator.

5.2.3. The Board will view Administrator performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends and avoidance of Board-proscribed means (Executive Limitations) will be viewed as successful Administrator performance.

V/11/15/09

POLICY TYPE: BOARD-ADMINISTRATOR LINKAGE

POLICY TITLE: UNITY OF CONTROL

5.3

Only decisions of the Board acting as a body are binding on the Administrator.

Accordingly,

5.3.1. Decisions or instructions of individual Board members, officers, or committees are not binding on the Administrator except in rare instances when the Board has specifically authorized such exercise of authority.

V/11/15/09