



## Cincinnati Preschool Promise Board Governance Principles

Adopted on September 18, 2018

**Board Authority** The Board of Managers (the “Board”) of Cincinnati Preschool Promise, LLC, (“CPP”); derives its authority from the CPP Operating Agreement. United Way of Greater Cincinnati (“United Way”) is the sole Member of CPP.

**Board Purpose** The Board is committed to serving the best interests of CPP and exercising its duties and responsibilities in an accountable, transparent, knowledgeable and thoughtful manner as stewards of public funds and other grants or donations. The Board is accountable for the fulfillment of CPP’s mission and to CPP’s stakeholders, including taxpayers within the Cincinnati Public Schools District, preschool children, parents and guardians of preschool children, providers, funders, employees and vendors.

### 1. Introduction

These Board Governance Principles (the “Principles”) have been adopted by the Board to assist the Managers of the Board in the exercise of their fiduciary duties as CPP leads preschool expansion efforts within the boundaries of the Cincinnati School District. The Principles reflect the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management levels, with a view to achieving the strategic objectives of CPP.

These Principles are intended to serve as a framework within which the Board shall conduct its business. The Principles are subject to an annual review by the Governance Committee, and any modifications are required to be approved by the Board.

### 2. Manager Composition and Qualification Standards

The number of Managers is fixed at 15. United Way, Cincinnati Public Schools, and Cincinnati Promise Forward shall each nominate five Managers to the Board. United Way, as sole Member of CPP, ratifies the nominated Managers at the Board’s Annual Meeting or at other times to fill vacancies.

All Managers must have the ability and willingness to devote sufficient time to performing their duties in an effective manner and the ability to work with the Board as a whole. Regular attendance at Board and committee meetings is expected. Managers are expected to attend a majority of Board meetings each calendar year. A Manager may be queried by the chairperson of the Board (the “Board Chair”) or his/her designee as to the reasons for any excessive or habitual absences. The Managers reserve the right to terminate any Manager at any time, for any or no reason, by the majority vote of the Managers. In the event that a Manager is terminated for any reason, the entity that nominated such Manager shall nominate a new Manager for ratification by United Way. If the nominated Manager is ratified by United Way, then such nominee shall be submitted to the Board for approval by at least a majority vote. Any Manager duly nominated and elected to replace a terminated Manager will serve for the duration of such terminated Manager’s term.

Each year, the Governance Committee of the Board will review the Manager skills matrix and upcoming expiring Manager terms to determine the Board’s succession planning needs and shall report its findings to the Board. The Governance Committee will facilitate a Board discussion to solicit opinions on

experience needs. Thereafter, the results of such discussion will be conveyed to United Way, Cincinnati Public Schools, and Cincinnati Promise Forward.

United Way, Cincinnati Public Schools, and Cincinnati Promise Forward will be asked to review the Governance Committee's report and then put forward nominees who possess the needed skill sets. Nominee names will be submitted to United Way, and United Way shall ratify the nominees, ensuring that each nominating entity maintains five appointed Managers.

### **3. Manager Confidentially**

Pursuant to their fiduciary duties of loyalty and care, Managers are required to protect and hold confidential all non-public information obtained due to their Board position, absent the expressed or implied permission of the Board to disclose such information. Accordingly, all Managers are expected to respect the confidentiality of Board materials, Board discussions, and all CPP issues when such matters are not required to be disclosed by law under Ohio's Open Meetings Act or Public Records Act.

### **4. Board Independence**

CPP's purpose and the Board's fiduciary responsibilities include an obligation to maintain the trust of stakeholders. To demonstrate its commitment to accountability and to the mission of CPP, the Board shall adhere to the following Manager Independence Standards.

- A. *Annual Interest and Relationship Disclosure Statement.* The Board seeks to develop and sustain public trust and confidence in its integrity so that it may best accomplish CPP's mission. Consequently, each Manager shall, annually, complete an Interest and Relationship Disclosure Statement (the "Disclosure Statement") to disclose any actual or potential conflicts of interests that the Manager or any member of the Manager's family may have with respect to CPP. Any Manager who is uncertain whether the CEO has a conflict of interest may request that the Board Chair determine whether a conflict of interest exists and the Board may resolve the question by majority vote of the disinterested Managers. The results of any Committee vote concerning a conflict of interest shall be reported to the full Board. If a Manager encounters a new key relationship during the year, the CEO shall bring it to the attention of the Board Chair.
- B. *CPP Code of Ethics.* Each Manager should be sensitive to actual or potential conflicts of interest. Each Manager should disclose any actual or potential conflicts of interest that the Manager or any member of the Manager's family may have with respect to a certain matter. This disclosure should be made at the time the matter first is considered by the Board or by any committee on which the Manager is serving.

Should the Board or a committee determine a conflict of interest exists, such Manager: (a) shall not be counted in determining a quorum for a meeting at which the matter is considered; (b) may make a presentation concerning the matter, but shall not otherwise use personal influence in connection with the matter; and (c) shall not vote on the matter. The minutes of the meeting shall reflect that a disclosure was made and that the Manager having a conflict of interest abstained from voting. In the event the Manager is not present at the meeting when the transaction or activity is first considered, the Manager shall make the disclosure as soon as the Manager becomes aware that a conflict of interest exists. Such disclosure shall be made a part of the official records of CPP.

As a general proposition, a conflict of interest exists when an individual is in a position to make or to participate in making a decision at CPP which might affect a business in which the person, or a member of the person's immediate family, has a personal interest or investment. This statement

is based upon the premise that a person cannot make an impartial judgment solely for the benefit of the entity for which the person is making the decision if that decision will affect another entity in which the person or any member of the person's immediate family has an interest or investment.

## 5. Board Responsibilities

Managers shall, at all times, act in what they reasonably believe to be in the best interest of CPP and its stakeholders. The Board will oversee CPP operations, assets and finances, as provided by Cincinnati Public Schools District Issue 44 funds.

*Without limitation, the Board shall:*

- A. Act in the best interests of CPP and CPP stakeholders, including preschool children, and their parents/guardians;
- B. Ensure that strategic planning, operations, programs, and other initiatives are aligned with CPP's mission;
- C. Monitor and annually evaluate the performance of CPP's Chief Executive Officer/Executive Director (the "CEO") based on agreed-upon annual goals and objectives tied to desired outcomes of CPP, and oversee the performance of CPP's officers;
- D. Provide financial and policy oversight related to the development and renewal of CPP's mission;
- E. Ensure there is a succession-planning process in place for the CEO and that the CEO has a succession-planning process in place for his or her executive team; and
- F. Annually conduct a performance self-evaluation.

*Without limitation, each of the Managers shall:*

- A. Commit to understanding the needs of the Cincinnati early childhood community as aligned to CPP's mission;
- B. Actively participate in Board work, including reviewing meeting materials and keeping abreast of developments pertaining to CPP, CPP stakeholders, preschool providers, and the socio economic changes in the Cincinnati Public Schools District and the impact of CPP funding;
- C. Attend the majority of all of the Board meetings and meetings of committees on which they serve, and spend the time necessary for the proper discharge of responsibilities;
- D. Participate in an annual Board self-evaluation and periodic Manager self-evaluations;
- E. Review all information pertaining to each meeting prior to the meeting, which will be distributed in writing, generally one week prior to the meeting; and
- F. Serve as an ambassador of CPP, promoting the mission, vision, and goals of the organization and maintaining positive discourse about the organization in public settings. Provide constructive feedback when needed to assure the Board/organization achieves its purpose.

## 6. Board Tenure

Managers shall be divided into three classes of five Managers each, with the term of office of one class expiring each year. Terms shall run up to and including the Annual Meeting. Replacement Managers shall



be selected at each Annual Meeting. The Annual Meeting will occur in September of each year, based on a fiscal year of July 1 through June 30. A Manager may serve two consecutive 3-year terms (up to six consecutive years), unless such Manager is the Board Chair, in which event the Manager can continue as long as such Manager is the Board Chair. A Manager that has served two consecutive 3-year terms is eligible to serve two additional consecutive 3-year terms only after a full calendar year absence from the Board. Terms of office effective September 2017 will be as follows:

Class of 2018.....January 1, 2017 through September 30, 2018 (eligible to serve 2 additional 3 year terms).

Class of 2019.....January 1, 2017 through September 30, 2019 (eligible to serve 2 additional 3 year terms).

Class of 2020.....January 1, 2017 through September 30, 2020.

### 7. Board Observers

United Way, Cincinnati Public Schools, and Cincinnati Promise Forward each may designate two people to serve as Board Observers, one as the primary observer and one as the secondary observer. Observers will be given time to address the Board at such times as the Board Chair may designate. Additional details regarding the role of the observers are contained in the Board’s policy on Board Observers.

### 8. Board Committees

The Board has established four standing committees (including the Executive Committee). The Board Chair may establish ad hoc committees as needed to assist the Board in discharging its responsibilities. The Finance & Audit Committee, the Governance Committee, and the Community Engagement Committee shall be referred to collectively as the (“Standing Committees”).

- A. *The Executive Committee* is authorized to take action between scheduled meetings of the Board. All actions of the Executive Committee shall be reported at the next regularly scheduled Board meeting. Duties include: Implementation of the annual evaluation of the CEO, engaging the Board in the process and setting Executive compensation. The Executive Committee is comprised of the Board Chair, serving as chairperson of the Executive Committee (the “Executive Chair”), the chairpersons of each of the Standing Committees, and two at-large members. The Executive Committee shall have at least two representative from each of United Way, Cincinnati Public Schools, and Cincinnati Promise Forward.
- B. *The Finance & Audit Committee* is responsible for oversight of the independent audit process, for overseeing the financial integrity and finance/accounting controls of CPP, and for making recommendations on audit matters. The Finance Committee ensures communication and alignment with Cincinnati Public Schools, as appropriate. The Finance Committee is responsible for providing a monthly financial report to the Board, and shall provide a draft budget with assumptions to the Board so as to meet the annual deadline for approval of this appropriation by Cincinnati Public Schools Board of Education each June. The Finance Committee shall also review the monthly financial statements. The Finance Committee members include finance managers from the United Way and Cincinnati Public Schools as well as CPP Managers. The Finance Committee shall work with Cincinnati Public Schools to tie the agency audit into the school district’s audits.
- C. *The Governance Committee* is charged with reviewing the annual Disclosure Statement, conducting an annual review of these Principles, reviewing the necessary Manager skills and advising the nominating organizations of the needs of the Board, providing orientation for new Managers, overseeing the Board education program, the Board self-evaluation process and the governance

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calendar, and for making recommendations on governance matters. It shall also prepare the Board for the annual review of the CEO.

- D. *The Community Engagement Committee* (the “Engagement Committee”) is charged with ensuring clear and active communication with parents, providers, taxpayers, and all CPP stakeholders, for seeking community input on major decisions regarding CPP, and for ensuring that there are timely reports on the goals and outcomes of CPP.

Each committee will develop a charter, including the above stated duties, outlining its respective purpose, goals and key responsibilities. Such documents will be reviewed annually by the respective committee members. Committee chairs shall report the highlights of all meetings to the Managers at the Board’s next regularly scheduled meeting following the committee meeting.

The Governance Committee shall nominate the Board Chair and a slate of executive officers, each of which shall be approved at the Annual Meeting, upon the affirmative vote of the majority of the Board. The person elected as Board Chair shall also be the Executive Chair, and the person elected as the Treasurer shall also be the chairperson of the Finance Committee. The Board Chair shall nominate the chairperson of the Governance Committee and Engagement Committee, each of which shall be approved upon the affirmative vote of a majority of the Board (after which, they shall become members of the Executive Committee). The Board Chair shall nominate additional at-large members of the Executive Committee until the total is six, which shall be approved at the Annual Meeting, upon the affirmative vote of the majority of the Board.

Every Manager is expected to serve on at least one Standing Committee or the Executive Committee. Each committee will have a minimum of three members.

Subject to these Principles, with the exception of the Executive Committee and the Governance Committee, non-Managers may be asked to serve on a committee, but a majority of each committee’s members must be Managers. Non-Managers must complete the Board’s annual Disclosure Statement.

Consideration will be given to rotating committee members and chairs periodically, but the Board does not have a formal policy of rotating committee assignments or chairs; provided, that the Board Chair shall only be permitted the opportunity to serve a term up to three years.

The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirement set forth in the committee’s charter.

Each committee will have a designated staff member who will assist the committee in its work and will be required to attend the committee meetings.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

## **10. Board Operations**

- A. *Frequency of Meetings.* Ordinarily, Board meetings will occur a minimum of 6 meetings per year. The September meeting will be the Board’s Annual Meeting, when officers are appointed and elected according to these Principles, and new Managers (who are not replacing Managers midyear) begin their terms. In addition, there may be special meetings and Manager retreats. The

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Board Chair shall prepare an annual schedule of meetings for the Board, which will be distributed in a timely manner as a matter of public record.

- B. *Meeting Notice.* Each year the Board Chair will distribute an annual schedule of meetings, and the CEO will also send a reminder to the Board, not less than seven days before each meeting. Meeting notices will be posted on CPP's website.
- C. *Agenda setting.* The Board Chair, with advice from other Managers and counsel from the CEO, shall set the agenda for each Board meeting.
- D. *Executive sessions.* The Board may hold an executive session in accordance with the Ohio Open Meetings Act. As part of an executive session, no non-Manager shall be present, except the CEO, unless the Board Chair, in consultation with other Managers present, deems it appropriate. The Board Chair, in consultation with other Managers present, can also request others to be in attendance in the executive session.
- E. *Briefing materials.* Under the direction of the Board Chair, the CEO should provide Managers with an agenda and written briefing materials, including reports on the financial status and operating performance of CPP, in advance of Board meetings. Staff may make presentations on important topics facing CPP, mission, public policy, program, governance issues or any issue pertaining to the implementation of CPP's mission. As appropriate, outside experts may be asked to present to the Board.
- F. *Meeting Quorum.* Eight Managers present shall constitute a quorum for the transaction of business.
- G. *Voting.* For purposes of voting, a majority vote is required to pass all actions. A majority vote is defined as "the majority of votes cast," not including withheld votes or abstentions. The Board has agreed that a supermajority vote is required if an action that alters the purpose, mission, or a policy of the CPP. If a supermajority vote is required, it shall be defined as a vote of more than two-thirds of all Managers present; provided, that at least a quorum shall be present. Voting shall take place in-person at the meeting.
- H. *Minutes.* The CEO or his or her designee shall take minutes of each Board meeting, Standing Committee meeting, and Executive Committee meeting. Such minutes shall be filed in the official records of CPP. Minutes of the previous regular or special Board meetings will be distributed in advance of each regular Board meeting.
- I. *Annual Board Performance Self-Evaluation.* The Board will conduct an annual assessment to determine whether it, its Managers, and its committees are functioning effectively.

## **11. Board Compensation**

Board Managers serve without compensation.

## **12. Manager Expenses**

Managers may occasionally expend personal funds to facilitate a meeting related to CPP business. The expenditures are generally minor and may, with prior written approval of the Board Chair, request reimbursement. However, as a guiding principle, the Manager should be willing to absorb these expenses in hosting such meetings related to CPP's mission.

Occasionally, a Manager might be asked to represent CPP at an out-of-town meeting. The Board Chair, in consultation with the Executive Committee and the CEO, shall advise the Board in advance of such a trip and take all comments into consideration when deciding whether to authorize the trip. If authorized by



the Executive Committee, the CEO shall approve said Manager’s reasonable travel and out-of-pocket expense reimbursement.

### **13. Board Orientation and Continuing Education**

New Managers must participate in an orientation to be conducted within two months of the Manager’s appointment. The agenda for this orientation shall be determined by the Governance Committee. This orientation shall address the CPP’s mission and goals, program status, challenges, Board operating routines, significant risk exposures, compliance programs, financial reports, state public records and open meetings laws, and such other matters as the Committee may determine. Other Managers are invited to attend these orientation programs.

Manager education continues at each Board meeting, through internal reports and presentation by staff and the sharing of information among Managers.

Additionally, the Board recognizes the value of independent development and learning. Therefore, at periodic Board meetings, CPP may include a discussion of an important topic facilitated by an independent leader, or an outside speaker may address the board.

### **14. Indemnification**

The CPP Operating Agreement allows CPP to indemnify Managers and Officers. Such coverage protects Managers and Officers from liability arising in connection with good-faith performance of their fiduciary duties.

The CEO shall, at least annually, review the insurance coverage options and costs and shall work with outside counsel to confirm that the indemnification offered by CPP remains appropriate under state law, court decisions and regulatory requirements. Additionally, time will be set aside at one board meeting each year to review the CPP’s indemnification policy and procedures.

### **15. CEO/Executive Director – Responsibilities, Performance, Compensation and Succession Planning**

The CEO shall serve as CPP’s lead professional and report directly to the Board. The CEO is responsible for CPP’s day-to-day operations, will execute Board-authorized policies, maintain working relationships with relevant community organizations and all partners listed in the Master Agreement, execute and ensure fulfillment of contracts, seek to understand significant developments within the industry, supervise other staff members and perform all other duties as assigned.

Additionally, the CEO is responsible for maintaining CPP records. The CEO is accountable for storing and maintaining corporate files in a manner that preserves historical and critical documents, and ensures easy Board and community access.

The Board will conduct an annual review of the CEO’s performance to ensure that the CEO is meeting expectations set out annually in the development of goals and objectives related to the outcomes of the CPP and relationships with stakeholders.

Each year, the Board Chair will solicit input from the Board about the CEO’s performance, and the Board chair will meet with the CEO to review goals and assess performance. The outcome of that annual review will be shared with the full Board. Thereafter, considering the outcome of the performance review, the Board may approve a compensation adjustment. See the Executive Committee roles.



The Executive Committee shall, bi-annually, review CPP's CEO succession planning process.

## **16. Appointment of Officers.**

The officer positions are:

*Chairperson.* The Board Chair shall chair all Board meetings, and organize and coordinate the activities of the Board.

*Secretary.* The Secretary shall cause to be prepared, notice and minutes of all Board and committee meetings. The Secretary will sign all resolutions and official organization documents as required needing the signature of the board secretary.

*Treasurer.* The Treasurer shall chair the Finance and Audit Committee and shall render, as required, an account of the financial condition of CPP and its assets.

## **17. Interactions with the Media**

The media, or other members of the public, may reach out to individual Managers. Each Managers shall refer all questions to the designated organization spokesperson — in most cases, the CEO or the Board Chair — and not engage in one-on-one conversations with such media or public members.

## **18. Contacting the CPP Board**

Any stakeholder who wants to communicate with the Board may send communications to the designated communication representative of CPP. All communications will be received and processed by the designated representative of CPP, although the communication may not be forwarded to whom if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

## **19. Review and Modification of Board Governance Principles**

The Governance Committee will review these Principles annually and report to the Board any recommendations that it may have regarding modification of these Principles.