

NATIONAL ASSOCIATION OF PARLIAMENTARIANS®
Board of Directors Regular Meeting
June 9, 2015

Call to Order: President Ann Guiberson called the regular meeting of the NAP Board of Directors to order at 7:30 p.m. (EDT) on Tuesday, June 9, 2015. The meeting was held using AdobeConnect.com.

Welcome:

The president welcomed board members, advisers, and guests.

Board Members Present:

President Ann Guiberson, PRP; Vice-President Mary L. Randolph, PRP; Secretary Ann Rempel, PRP; Treasurer Evan A. Lemoine, PRP; Director-at-Large Steve Glanstein, PRP; Director-at-Large James N. Jones, PRP; Director-at-Large James H. Stewart, PRP, and District Six Director Daniel Ivey-Soto, PRP.

Board Members Absent:

District Five Director Denise Irminger, PRP.

Advisers Present:

Parliamentarian Dr. Leonard Young, PRP, and Executive Director Cyndy Launchbaugh.

Quorum:

Eight voting members were present, and a quorum was established.

Guests Present: Darlene Allen, Ferial Bishop, Barbara Braswell, Richard Brown, Joyce Brown-Watkins, Kevin Connelly, Sandra Cook, Steve Cook, Lori Finck, Carol Henselder, Larry Martin, Eli Mina, Teresa Stone, Janice Strand, Rosalie Stroman, Alison Wallis, Karen Watson, Jeanette Williams, and Sheryl Womble.

Adoption of the Agenda:

Without objection, the agenda was adopted as amended. (Attachment A)

Report of Minutes Approval Committee:

Director Stewart reported that the minutes of the board meeting held April 14, 2015, were approved by the committee.

Report on Financial Review by Auditor:

Treasurer Lemoine and Executive Director Launchbaugh reported on the financial review conducted by Cinda Chapman, CPA. CVA. CGMA, of Independence, Missouri. A copy of the report is on file at NAP Headquarters.

Motion:

By a vote of 7 in the affirmative and 0 in the negative, the following motion was adopted:

That the review report of the independent CPA for the year ended November 30, 2014, be adopted.

President's Report:

Ratification of Leadership Conference Fee:

Without objection, the following fees for the 2015 Leadership Conference were ratified:

Early Bird - \$80 for those who attended the 2014 Leadership Conference in Oklahoma City

Early Bird - \$100 for those who did not attend the 2014 Leadership Conference in Oklahoma City

Regular - \$90 for those who attended the 2014 Leadership Conference in Oklahoma City

Regular - \$110 for those who did not attend the 2014 Leadership Conference in Oklahoma City

On-Site - \$115 for those who attended the 2014 Leadership Conference in Oklahoma City

On-Site - \$135 for those who did not attend the 2014 Leadership Conference in Oklahoma City

NAP-NAPEF Agreement:

Following debate, the resolutions contained in The Letter of Agreement between the National Association of Parliamentarians and the NAP Educational Foundation, sent to board members prior to the meeting, were adopted by a vote of 6 in the affirmative and 1 in the negative. (Attachment B)

2018 NTC Site Selection:

Motion:

After a presentation by Executive Director Launchbaugh and Director Jones, the following motion was adopted by a vote of 8 in the affirmative and 0 in the negative:

That the executive director in conjunction with the president shall be authorized to negotiate an agreement with the Buffalo Hyatt Regency Hotel for the 2018 NTC.

Charter Returned:

The president reported that the unit in Maine has returned its charter to NAP.

Financial Report:

990 Tax Form Review:

The income tax return was reviewed by Treasurer Lemoine.

Executive Director's Report:

Executive Director Launchbaugh discussed the written report sent to board members prior to the meeting.

Reports of Committees:

Ethics Committee:

A written report from the ethics committee was sent to board members prior to the meeting.

Professional Development Committee:

A written report from the professional development committee was sent to board members prior to the meeting.

Board Committees:

Budget and Finance:

On behalf of the budget and finance committee, Treasurer Lemoine presented the Investment Policy Statement (IPS) (Attachment C).

Motion:

By a vote of 7 in the affirmative and 0 in the negative, the Investment Policy Statement (IPS) was adopted. (The IPS will be added to NAP OPP as Appendix F.)

Amendment of NAP OPP 3.5.03

Without objection, NAP OPP 3.5.03 was amended by substituting the following:
Gifts to NAP in the form of investment securities shall be deposited to our brokerage account and managed in accordance with NAP’s investment policy.

Adjournment:

The meeting adjourned at 8:48 p.m. (EDT).

Ann L. Rempel, PRP
NAP Secretary

Minutes Approval Committee:

	June 11, 2015
James H. Stewart, PRP	Date approved
	June 11, 2015
Steve Glanstein, PRP	Date approved
	June 11, 2015
Mary L. Randolph, PRP	Date approved

ATTACHMENT A

**NATIONAL ASSOCIATION OF PARLIAMENTARIANS®
Board of Directors Meeting
Tuesday, June 9, 2015
Agenda**

- | | |
|--|-------------------|
| 1. Welcome | Ann Guiberson |
| 2. Adoption of the Agenda | |
| 3. Report of Minutes Approval Committee | Jim Stewart |
| 4. Financial Review of Auditor | Evan Lemoine |
| 5. President's Report | Ann Guiberson |
| a. Ratification of Leadership Conference Fee | |
| b. NAP-NAPEF Agreement | |
| c. 2018 NTC Site Selection | |
| 6. Financial Report | Evan Lemoine |
| 990 Tax Form Review | |
| 7. Executive Director Report | Cyndy Launchbaugh |
| 8. Reports of Committees | |
| a. Ethics Committee (Written report) | |
| b. Professional Development (Written report) | |
| b. Budget/Finance: | Evan Lemoine |
| 1) Investment Policy | |
| 2) Amend NAPOPP 3.5.03 | |
| 8. New Business | |
| 9. Adjournment | |

ATTACHMENT B

Letter of Agreement between the
NATIONAL ASSOCIATION OF PARLIAMENTARIANS (NAP)
and the
NAP EDUCATIONAL FOUNDATION (NAPEF)

- Resolved,* That the NAPEF agrees to pay NAP \$3,000 at the beginning of NAP's fiscal year for management services including:
- A. Maintaining a database of contributors;
 - B. Maintaining contributor recognition program;
 - C. Providing accounting services for recording and transferring contributions;
 - D. Providing monthly financial reports;
 - E. Providing monthly contributor reports; and
 - F. NAPEF may request additional management services, for which an estimate of time will be provided by NAP in advance and billed at the rate of \$30.00 per hour for the agreed upon additional work.
- Resolved,* That NAPEF agrees to provide a minimum of \$22,000 biennially, depending on funds available from the net current fiscal year's fundraising efforts and excluding funds in investments and reserves, in grants to support NAP educational resources, education programs, and youth education programs, based on receipt of grant applications according to the following:
- A. Grant requests must be in accord with the purpose and objects of NAPEF and may not include administrative costs of any program.
 - B. Financial reports and the outcomes must be reported to the NAPEF board of trustees in compliance with the conditions stated in the grant, using the NAPEF grant report guidelines.
 - C. Grant applications may be submitted to NAPEF at any time.
- Resolved,* That NAP agrees to provide the following:
- A. To include NAPEF information in the *National Parliamentarian*, the membership manual, in NAP updates, and in electronic newsletters, as well as a link on the NAP website to the foundation website;
 - B. To include NAPEF fundraising in annual dues billing;
 - C. To provide for foundation activities at the biennial convention and the training conference, including but not limited to registration, promotion, and meeting rooms;
 - D. To acknowledge publicly at NAP events the contributions NAPEF makes in support of NAP educational resources and programs.
- Resolved,* That the term of this agreement is from August 31, 2015 through August 31, 2019. This agreement supersedes and replaces all former agreements.

NATIONAL ASSOCIATION OF PARLIAMENTARIANS
by Ann Guiberson, President

NAP EDUCATIONAL FOUNDATION
by Nancy Sylvester, President

ATTACHMENT C

NAP Investment Policy Statement

Statement of Purpose

The purpose of this Investment Policy Statement (together with its Attachment, the "Statement") is to set forth the policies and procedures that shall guide the Board of Directors (the "Board") of the National Association of Parliamentarians (the "NAP") in supervising and monitoring the management of NAP's investable assets (the "Fund").

General Principles

NAP shall diversify the investments of the Fund unless the Board, after appropriate deliberation, reasonably determine that because of special circumstances the purposes of the Fund are better served without diversification.

The Fund shall be managed in accordance with high standards of fiduciary duty and in compliance with applicable laws and regulations, including but not limited to the version of the Uniform Prudent Management of Institutional Funds Act enacted in the District of Columbia if applicable.

Standards for risk, return, asset allocation, diversification and liquidity shall be determined from a strategic perspective and measured over successive market cycles.

Roles and Responsibilities

The Board elects to oversee investment matters directly with assistance in fulfilling its roles and responsibilities charged to the Budget and Finance Committee (the "Committee").

The Committee, acting pursuant to this Statement and to instructions from the Board, shall have direct responsibility for the oversight and management of the Fund and for the recommendation of investment policies and procedures.

The Committee shall, as more fully described herein, manage the Fund via a set of asset allocation targets and ranges for the portfolio. In fulfilling its responsibilities under this Statement, the Committee shall recommend to the Board the hiring and dismissal of investment managers, fiscal agents and other advisors, and the purchasing or sale of any assets in the Fund.

Reports of the Fund shall be provided quarterly to the Committee. The Executive Director together with the Treasurer shall be responsible to the Board for maintaining detailed records of all invested funds and for carrying out the investment policies and procedures established by the Board.

Policy Review

This Statement shall be reviewed at least annually by the Committee with recommendations for changes presented to the Board.

Goals and Objectives

Objectives of the Fund

The Fund has a long-term investment horizon (beyond 10 years). The primary investment objectives of the Fund are to:

- Maintain the real purchasing power of the Fund after inflation, costs and spending (i.e., achieve “intergenerational equity”); and
- Provide a stable source of liquidity and financial support for the mission of NAP.

Investment Philosophy

While acknowledging the importance of preserving capital, the Board also recognizes the necessity of accepting risk if the Fund is to be able to meet its long-term investment goals. It is the view of the Board that choices made with respect to asset allocation will be the major determinants of investment performance. The Board shall seek to ensure that the risks taken are appropriate and commensurate with the Fund’s goals.

Investment Policies and Procedures

Operating Guidelines

The Fund shall be managed in accordance with the Operating Guidelines for risk and liquidity described in this section, a template for which is set forth in Attachment A. Once the Operating Guidelines have been approved by the Board, the Committee shall review the Fund within the Operating Guidelines and make recommendations to the Board. The following policy descriptions refer to items in the corresponding sections in Attachment A.

Investment Policy

- *Asset allocation.* The Committee shall, consistent with the above sections, recommend to the Board investments of the Fund using an asset allocation that is designed to meet the Fund's long-term goals. The allocations will be based on the objectives of the Fund.
- *Illiquid investments.* Because of their long-term nature, investment in and commitments to illiquid investment strategies, including but not limited to private capital, private equity real estate, natural resources, distressed debt and other similar private investments, shall be analyzed and discussed by the Committee separately.
- *Targets and ranges.* The asset allocation shall be implemented using a policy portfolio as set forth in Attachment A, with target allocations and ranges for each investment strategy. Due to the need for diversification and the longer funding periods for certain investment strategies, the Committee recognizes that an extended period of time may be required to fully implement the asset allocation plan. It is expected that market value fluctuations will cause deviations from the target allocations to occur.
- *Rebalancing.* The purpose of rebalancing is to maintain the Fund's policy asset allocation within the targeted ranges, thereby ensuring that the Fund does not incur additional risks as a result of having deviated from the policy portfolio. Rebalancing will take place on a portfolio basis to reduce expenses as far as practicable. More frequent tactical rebalancing of asset classes within their ranges will also be permitted in order to take advantage of shorter-term market conditions, as long as such changes or reallocations do not, in the opinion of the Board and Committee, cause undue risk or expense to the Fund.

- *Standards of conduct.* In managing and investing the Fund, the Board shall:
 - act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar conditions;
 - incur only costs that are appropriate and reasonable in relation to the assets, the purposes of NAP and the skills available to NAP;
 - make a reasonable effort to verify facts relevant to the management and investment of the Fund;
 - consider the following factors, if relevant:
 1. general economic conditions;
 2. the possible effect of inflation or deflation;
 3. the expected tax consequences, if any, of investment decisions or strategies;
 4. the role that each investment or course of action plays within the overall investment portfolio of the Fund;
 5. the expected total return from income and the appreciation of investments;
 6. other resources of NAP;
 7. the needs of NAP and the Fund to make distributions to preserve capital; and
 8. an asset's special relation or special value, if any, to the charitable purposes of NAP.
 - make management and investment decisions about an individual asset not in isolation, but rather in the context of the Fund's portfolio of investments as a whole and as part of NAP's overall investment strategy, including the risk and return parameters set forth in this Statement.

- *Delegation.* Subject to any specific limitations set forth in a gift instrument, the Board may delegate to an external agent the management and investment of all or part of the Fund to the extent that NAP could prudently delegate under the circumstances. The Board shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in: (1) selecting an agent; (2) establishing the scope and terms of delegation, consistent with the purposes of NAP and the Fund; and (3) periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation. The Board shall engage qualified external professional investment managers who have demonstrated competence in their respective investment strategies. These managers shall have full discretion and authority for determining investment strategy, security selection and timing of purchases and sales of assets subject to the guidelines specific to their allocation.

- *Investment manager reporting and evaluation.* The investment managers responsible for the investment of the Fund's assets shall report quarterly on their performance. Reports shall include, at a minimum, the following information:

- Comparative returns for the Fund assets under management against their respective benchmarks.
 - A complete accounting of all transactions involving the Fund during the quarter.
- Each investment manager shall review the portfolio with the Committee at least annually; these review meetings may be supplemented by such other meetings as the Committee or Board may think necessary.
- The Committee shall monitor and compare the Fund's performance relative to:
 - Absolute return objectives for the Fund;
 - The respective benchmarks for each asset class or strategy in which the Fund is invested, as set forth in the asset allocation table in Attachment A.

Asset Allocation, Investment Strategies, Guidelines and Restrictions

The Fund shall be diversified both by asset class and within asset classes. Within each asset class, investments shall be diversified further among economic sector, industry, quality and size. The purpose of this diversification is to provide a reasonable assurance that no single security or class of securities will have a disproportionate impact – positive or negative – on the overall performance of the Fund.

The Operating Guidelines, a template for which is set forth in Attachment A, contain the Fund's target asset allocation and range for each asset class or investment strategy, together with the applicable guidelines and restrictions. Taken together, these constitute a framework to assist NAP and its investment managers in achieving the Fund's investment objectives at a level of risk consistent with the parameters set forth in this Statement.

Depending on market conditions, each asset class may vary as much as plus or minus 5% the target allocation. When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic allocation of the Fund. If there are no cash flows, the allocation of the Fund shall be reviewed semi-annually.

If the equity holdings in any one specific company exceeds more than 5% of the market value of the Association's equity portfolio, the Committee shall report this fact to the Board prior to or at the next regular meeting.

Attachment A
Target Asset Allocation

	<i>Min</i>	<i>Target</i>	<i>Max</i>	<i>Benchmark</i>
Equities	45%	65%	80%	MSCI All Country
Domestic Large Cap	20%	30%	35%	S&P 500
Domestic Mid/Small Cap	10%	15%	20%	Russell 2000
International Equity	15%	20%	25%	MSCI All Country ex. U.S.
Fixed Income	20%	35%	40%	Barclays U.S. Aggregate
Cash & Equivalents	0%	0%	10%	3 Month T-Bill
U.S. Treasuries	0%	0%	10%	Barclays U.S. Treasury Index
TIPS	0%	5%	10%	Barclay TIPS
Domestic Bonds	20%	25%	40%	Barclays U.S. Aggregate
Global Bonds	0%	10%	15%	World Government Bond Index