



260 SW Madison Ave. Ste 106 | Corvallis, OR 97333 | www.tilth.org | PH 503.378.0690 | FX 541.753.4924 | organic@tilth.org

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT*

The CEO will not cause or allow any organizational practice, activity, decision, or circumstance which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics and practices.



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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-1 TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO will not cause or allow conditions, procedures, or decisions that are unsafe, undignified, biased or unnecessarily intrusive.

Consumers are defined as those people or entities that directly receive goods or services from Oregon Tilth, including but not limited to certified entities, Oregon Tilth members and those that take part in Oregon Tilth educational programs.

The CEO will not:

- EL-1.1 Elicit information for which there is no clear necessity.
- EL-1.2 Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material elicited.
- EL-1.3 Allow consumer information to be sold to a third party.
- EL-1.4 Operate facilities without appropriate accessibility and privacy.
- EL-1.5 Allow consumers to be unaware of what may be expected and what may not be expected from services.
- EL-1.6 Allow certification policies to be developed that are unfair or partial towards any party significantly concerned in the certification system.
- EL-1.7 Allow certification policies that are not in compliance with all applicable standards.
- EL-1.8 Leave consumers uninformed of this policy, or without a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.

- EL-1.9 Allow the contact of consumers regarding anything that is not pertinent to Oregon Tilth's mission, activities or values, or for the direct personal gain, financial or otherwise, of the CEO or any employee or contractor.
- EL-1.10 Allow third parties to use consumer information shared by Oregon Tilth for aligned opportunities without ensuring that the information is properly protected and used exclusively for the designated purpose of sharing information and/or opportunities.

Monitor annually and by direct inspection.



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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-2 TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO will not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

The CEO will not:

- EL-2.1 Operate without sufficient, written personnel and operational rules.
- EL-2.2 Subject staff to rules that are not clear and available.
- EL-2.3 Subject staff to wrongful conditions, nepotism, or preferential treatment based on personal reasons.
- EL-2.4 Leave staff without an effective and unbiased method to deal with grievances.
- EL-2.5 Leave staff without an effective method for fair evaluation of their professional performance.
- EL-2.6 Retaliate against any staff member for non-disruptive expression of dissent.
- EL-2.7 Allow staff to be unprepared to deal with emergency situations.
- EL-2.8 Fail to provide sufficient opportunity for staff professional development.

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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-3 FINANCIAL PLANNING/BUDGETING*

Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

The CEO will not allow budgeting that:

- EL-3.1 Risks incurring those situations or conditions described as unacceptable in the board policy EL-5 "Financial Condition and Activities."
- EL-3.2 Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- EL-3.3 Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.

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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-4 FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.

The CEO will not:

- EL-4.1 Allow liquidity or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
- EL-4.2 Spend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
- EL-4.3 Incur debt in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.
- EL-4.4 Use any long term reserves without board approval.
- EL-4.5 Use restricted funds for any purpose other than that required by the imposed restriction.
- EL-4.6 Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 90 days.
- EL-4.7 Allow late payments of contracts, payroll, debts, loans and other financial obligations.
- EL-4.8 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- EL-4.9 Make a single purchase or commitment of greater than \$10,000 without board approval. Splitting orders to avoid this limit is not acceptable.
- EL-4.10 Fail to exercise due diligence in contracts.

- EL-4.11 Acquire, encumber or dispose of real estate.
- EL-4.12 Allow receivables to be unpursued after a reasonable grace period.
- EL-4.13 Allow financial record keeping systems to be inadequate or out of conformity with not-for-profit generally accepted accounting practices (GAAP).

Monitor quarterly.



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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-5 EMERGENCY CEO SUCCESSION*

In order to protect the board from sudden loss of CEO services, the CEO shall develop a reasonable succession plan and have no fewer than one other executive sufficiently familiar with board and CEO issues and processes to enable them to take over with reasonable proficiency as an interim successor.

Monitor annually.



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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-6 ASSET PROTECTION*

The CEO will not cause or allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked. The CEO will not:

- EL-6.1 Allow board members, staff, and the organization itself to be inadequately insured against theft, casualty, and liability losses.
- EL-6.2 Allow unbonded personnel access to material amounts of funds.
- EL-6.3 Subject office and equipment to improper wear and tear or insufficient maintenance.
- EL-6.4 Unnecessarily expose the organization, its board or staff to claims of liability.
- EL-6.5 Make any purchase over \$10,000 without following a procurement policy that obtains comparative prices, measures of quality and ensures a balance of long term quality and cost. Orders shall not be split to avoid these criteria.
- EL-6.6 Allow intellectual property, information and files to be exposed to loss or significant damage.
- EL-6.7 Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
- EL-6.8 Compromise the independence of the board's audit or other external monitoring or advice.
- EL-6.9 Invest or hold operating capital in uninsured checking accounts, in violation of board investment policies, or without consultation with a board-appointed funds manager.
- EL-6.10 Endanger or diminish the organization's public image, credibility, or its ability to accomplish Ends.
- EL-6.11 Change the organization's name or substantially alter its identity in the community.
- EL-6.12 Create or purchase any subsidiary corporation.

Monitor annually



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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-7 COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO will not cause or allow jeopardy to fiscal integrity or to public image.

The CEO will not:

- EL-7.1 Change the CEO's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.
- EL-7.2 Promise or imply permanent or guaranteed employment.
- EL-7.3 Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
- EL-7.4 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
- EL-7.5 Establish or change benefits so as to cause unpredictable or inequitable situations, including those that:
 - EL-7.5.1 Incur unfunded liabilities.
 - EL-7.5.2 Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity are not prohibited.
 - EL-7.5.3 Treat the CEO differently from other key employees.

Monitor annually



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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-8 COMMUNICATION AND SUPPORT TO THE BOARD*

The CEO will not permit the board to be uninformed or unsupported in its work.

The CEO will not:

- EL-8.1 Withhold, impede, or confound information relevant to the board’s informed accomplishment of its job.
 - EL-8.1.1 Neglect to submit monitoring data required by the board in Board-Management Delegation policy “Monitoring CEO Performance” in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy “Delegation to the CEO,” as well as relevant data.
 - EL-8.1.2 Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the board’s monitoring schedule.
 - EL-8.1.3 Allow the board to be without decision information required periodically by the board or let the board be unaware of relevant trends, including planned departure of the CEO or the designated interim successor.
 - EL-8.1.4 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
 - EL-8.1.5 Let the board be unaware of any incidental information it requires including anticipated adverse media coverage, public controversy over the organization’s brand, threatened or pending lawsuits and material internal changes.
 - EL-8.1.6 Let the board be unaware if, in the CEO's opinion, the board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly

in the case of board behavior that is detrimental to the work relationship between the board and the CEO.

- EL-8.2 Withhold from the board and its processes logistical and clerical assistance.
 - EL-8.2.1 Allow the board to be deprived of a workable, user-friendly mechanism for official board, officer, or committee communications.
 - EL-8.2.2 Allow the board to be deprived of pleasant and efficient settings and arrangements for board and committee meetings.
- EL-8.3 Impede the board's holism, misrepresent its processes and role, or impede its lawful obligations.
 - EL-8.3.1 Deal with the board in a way that favors or privileges certain board members over others except when (i) fulfilling individual requests for information or (ii) responding to officers or committees with respect to duties charged to them by the board.
 - EL-8.3.2 Allow the board to do its work without the necessary items on its Required Approvals agenda. Necessary items are those decisions delegated to the CEO yet required by law, regulation, or contract to be board-approved, along with applicable monitoring information.

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POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *EL-9 ENDS FOCUS OF GRANTS AND CONTRACTS*

The CEO will not enter into any grant or contract arrangements that fail to emphasize the production of ends and the avoidance of unacceptable means.

The CEO will not:

- EL-9.1 Allow grantees to be unaware of restrictions on particular methods and activities to preclude grant funds from being used in imprudent, unlawful or unethical ways.
- EL-9.2 Make grants to grantees that do not have, in the CEO's opinion, the capacity to produce appropriately targeted, efficient results.
- EL-9.3 Fund specific methods except when doing so for research purposes, when the result to be achieved is knowledge about differential effectiveness of various methods.

Monitor annually