

NAVREF Board of Directors Expectations, Policies and Customary Practices – March 2010

Relevant Federal Considerations

1. Federal ethics regulations prohibit federal employees from serving on boards of outside organizations in their official capacities unless there is a statutory exception such as that provided for the statutory members of VA-affiliated nonprofit research and education corporation (NPC) boards. The exception provided in the statute that authorizes the NPCs does not extend to service on the NAVREF board. Therefore, NAVREF board members who are also VA employees should take annual leave for the duration of each board meeting. Alternatively, they may arrange an approved irregular tour of duty that permits them to participate in NAVREF board meetings during normal business hours.
2. The NAVREF bylaws provide that the chief officer of the Office of Research and Development and the chief officer of the Office of Academic Affiliations shall serve as liaisons to the board. Participation as liaisons is viewed to be within the scope of these individuals' government responsibility to support VA's research and education missions respectively. As a result, the designated officials may attend NAVREF board meetings on VA duty status, and VA may cover the cost of travel. Liaison positions and board meeting attendance may not be delegated. Liaisons do not vote on matters before the board.

Board Expectations

1. **Conflicts of Interest.** The NAVREF board believes that no individual should benefit personally or professionally from decisions of the board. Nor should they benefit from the activities of the organization at the expense of the greater good of NAVREF. Therefore, all board members and employees with significant decision making authority ascribe to the NAVREF conflict of interest policy which incorporates a disclosure form that must be signed upon appointment to the board and renewed annually. Also, board members disclose potential conflicts of interest as they occur so they may be recused from discussions or decisions of the board as needed.
2. **Code of conduct.** Board members ascribe to the following:
 - Attend all board meetings
 - Thoughtfully prepare for and participate in discussions
 - Vote independently
 - Respect all individuals and opinions
 - Conduct business in a professional and ethical manner
 - Be receptive to new ideas
 - Avoid self-interest or self-dealing
3. **Travel Expenses.** The foundation with which a NAVREF board member is affiliated supports all the costs associated with that member's travel and attendance at NAVREF board meetings. As addressed above, it would be a federal ethics violation for VA to pay for travel associated with NAVREF board meetings except for those serving as liaisons. Participation in a NAVREF board meeting is not official VA business. Consequently, NAVREF board members who are also VA employees should not use their VA travel cards,

federal airfares, or VA funds for their NAVREF board meeting travel. Instead, such board members should follow their NPC's travel policies which are likely to entail that the board member will pay for the travel personally and then will file for reimbursement from the NPC.

4. **Compensation.** No compensation is provided by NAVREF for service as a member of the board.
5. **Indemnification.** To the extent allowed by law, officers and directors are protected from personal liability for actions taken by the board and its employees. Such protection is provided by purchasing and maintaining proper insurance coverage (i.e., Directors' & Officers [D&O], professional and general liability insurance). Three years of extended coverage will be purchased should NAVREF change D&O insurance providers.
6. **Recruitment, training and self-assessment.** The board understands and respects that demands on nonprofit boards are constantly changing and that the board is responsible for recruiting, training and orienting board members. On a regular basis, the board undergoes activities to improve NAVREF governance and to evaluate the board as a whole and as individual members. In addition, the board makes every effort to identify qualified new nominees for board election or appointment.
7. **Diversity.** The board ensures that its composition is adequately diverse in its breath of skills, knowledge, backgrounds and experiences.
8. **Removal from office.** Any director may be removed from the board for (i) failure to attend three consecutive meetings, to participate materially in matters before the board, or to comply with the bylaws or policies established by the board, (ii) incapacitation due to health reasons, or (iii) a change in job responsibilities resulting in not meeting the requirements for board composition or for the category to which a board member was elected.
9. **Nepotism, fraternization:** To avoid possible conflicts of interest and to achieve high ethical standards, no member of the board may cause to be hired by NAVREF, nor supervise, any relative or other close relation. Hiring decisions (employees and consultants) are based on the organization's need and the individual's knowledge, experience and ability.
10. **Public relations.** The board provides a united front to the public. In the event that interactions with the media become necessary, the executive director enlists a board member to prepare a response to inquiries. Along with the executive director, a board member participates in phone conversations with the media. To avoid a conflict with VA policies regarding employee contacts with the media, the participating board member should not be a VA employee.
11. **Committees.** In addition to determining NAVREF policy, activities and objectives, board members are expected to serve on NAVREF ad hoc and advisory committees and to accept responsibility for various projects.
12. **Harassment.** NAVREF does not tolerate sexual or any other type of harassment by anyone associated with the organization.
13. **Board Composition.** The board is comprised of individuals with origins specified in bylaws Section 5.2.3. The board makes reasonable efforts to ensure that the board includes at least one (1) director who holds each of the following positions (or positions with equivalent responsibilities) at a VA medical facility with a class A member: Director, Chief of Staff,

Associate Chief of Staff for R&D, and Associate Chief of Staff for Education. Additionally, there should be at least three (3) board members who are executive directors of Class A member organizations. Deviations to this minimum make up of the board occur only in the event of a temporary vacancy until the board can appoint a new member with the appropriate origin. The board has the power to add additional "at large" positions at any time.

14. **Immediate Past Chair Role.** To foster a smooth transition to a new NAVREF chair, when the chair rotates off the board at the same time as his/her term as chair ends, such individual may be invited to participate in up to two subsequent board meetings in a non-voting capacity. Participation may be by speakerphone or in person depending on the ongoing issues and agenda.
15. **Board Meeting Guests.** To foster frank and open exchange of views, only board members and staff specified by the board attend NAVREF board meetings. ORD and OAA liaisons are invited to attend meetings in whole or in part as appropriate for the business to be conducted. With the approval of the chair, selected individuals may be invited to attend as "guests" to participate in discussion of specific agenda items as a result of their expertise (such as an attorney or accountant) or ability to provide insights on issues of interest to the board. The administrator of the VA Non-Profit Program Office may on occasion be allowed to accompany the CRADO to observe board meetings.

Customary Meeting Practices

1. **Board meetings.** The NAVREF board meets four times per year. Although meetings may be conducted by conference call, all meetings are generally held in person. The board of directors sets the dates and locations of board meetings up to one year in advance, but they may be subject to change with board approval. All board members are expected to attend and fully participate in all meetings.
2. **Agenda items.** Board members are expected to suggest items for the agenda. Accompanying documentation should be provided to the NAVREF office at least three weeks before the board meeting. If possible, provide one clean copy by email, mail or Federal Express; avoid faxed documents as they are often hard to read.
3. **Agenda.** The meeting agenda is sent to each board member's foundation or VAMC address by Federal Express in time for receipt at least 5 days before the meeting. If a board member will be out of the office the week before the meeting and prefers to have the agenda sent to an alternative location, he/she should provide the NAVREF office with the alternative address. A memo with final logistics for the board meeting is always enclosed with the agenda. All board members and liaisons are expected to come to meetings fully prepared to discuss items on the agenda.
4. **Confidentiality.** To allow for frank discussion, board meeting discussions are considered confidential. The minutes contain only brief descriptions of items under consideration and the decisions of the board. Dissenting opinions are noted in the minutes upon request. Minutes are not to be distributed beyond members of the board, and the ORD and OAA liaisons.
5. **Recording.** Board meetings are tape recorded only to assist in the preparation of accurate minutes. The tapes are erased as soon as the minutes have been approved.

6. **Scheduling.** NAVREF board meetings typically are scheduled for Mondays. This allows members to take advantage of reduced airfares for travel encompassing a Saturday over night stay. However, in order to consolidate travel, board meetings are sometimes scheduled to coordinate with VA or NAVREF meetings likely to be attended by board members and therefore, meetings may be held on other days of the week.
7. **Location.** Whenever possible, board meetings are hosted by NAVREF members and are held at VA medical centers. The board of the host foundation generally joins the NAVREF board for lunch. Normally, there is no agenda for the lunch discussion, and this is a good opportunity to learn about local issues and to get feedback from NAVREF members.
8. **Time.** Board meetings generally are held from 8:30 a.m. to 4:00 p.m. with a working lunch. Board members are expected to plan their travel in such a way that they can participate until 4:00 p.m. Should it be necessary to depart early, please let the executive director know as soon as possible so that if necessary, the agenda can be modified to accommodate an early departure while still ensuring a quorum.
9. **Logistics.** Advance logistical information about board meetings (location, hotel, times, etc.) is provided to board members as much as three months in advance. With the assistance of the host foundation, NAVREF identifies a hotel convenient to the site of the board meeting and reserves a block of rooms. Board members make their own reservations in the room block and arrange their own air transportation. Board members who participate in hotel loyalty programs should let the executive director know so that the room block may be adjusted accordingly. Final logistical information, including transportation from the hotel to the VAMC where the meeting will be held, is provided with the meeting agenda.
10. **Attire.** Dress for board meetings is business casual. However, if the meeting is being held at a VAMC, appropriate VAMC business dress is recommended.
11. **Dinner.** Generally, there is an optional board dinner at NAVREF expense on the Sunday evening before each board meeting. The reservation is usually made for 6:30 p.m. Spouses and adult guests accompanying board members may join the board for dinner, but will be charged a flat \$50.00 fee for the meal.
12. **Transportation.** Transportation details to and from the airport and the hotel to the board dinner and to the VAMC for the board meeting are described in memos sent prior to the board meeting and enclosed with the agenda. Usually, board members share rental cars, taxis or a van provided by the VAMC.

Questions about any of the above may be directed to the executive director or the chair of the board.