

4. AUTHORITY AND GOVERNANCE

The institution is legally constituted as a nonprofit organization authorized by its state or province to operate as an educational institution and grant all degrees and/or offer credentials. The institution has a governing board with legal and fiduciary responsibility to exercise appropriate oversight over institutional integrity, policies, resource development, and ongoing operations.

ESSENTIAL ELEMENTS:

Relative to this standard, an accredited institution is characterized by ...

- Evidence that the institution is operating legally in its state or province.
- A constitution and bylaws that clearly and comprehensively provide a basis for institutional administration and governance.
- A governing board that possesses autonomy and exercises legal power to establish and review policies of the institution.
- Board membership that excludes all employees except the chief executive officer.
- A governing board with elected officers that ~~does~~ **do** not include the chief executive officer.
- A governing board that assists in generating resources needed to sustain and improve the institution.
- A conflict of interest policy for board members that addresses issues such as financial interests, contracts, employment, family, or other personal interests in the institution.
- A governing board appropriate in size to operate efficiently and sufficiently diverse in terms of ethnicity, gender (where theologically appropriate), and professional competencies to represent the constituency.
- A governing board that is sufficiently autonomous to protect the integrity of the institution.
- A procedure in place for the assessment of the effectiveness of board members.
- A process for orienting and developing new board members, and providing updates for current members on issues relative to mission, organization, finances, and programs.
- A chief executive officer appointed by the board, to provide administrative leadership for the institution.
- **Board policies and practices that restrain the board from individual and/or collective involvement in institutional administration.**
- **A board rotation system that encourages new members.**

QUESTIONS FOR INSTITUTIONAL ENGAGEMENT

1. If state or provincial authorization is required to offer credentials, what evidence is available to demonstrate compliance with these requirements?
2. How do the enabling documents safeguard the purposes and structures of the institution. its core values?
3. How does the board exercise its fiduciary responsibility for financial oversight and fund raising?
4. What organizational structures exist to enable the board to fulfill its responsibilities?
5. What evidence exists that the board understands its role in policy formation? What evidence is there that the board delegates management responsibilities to the president?
6. Is there evidence that the board and administration are operating under sound principles relative to conflicts of interest?
7. What evidence is available to demonstrate that board members reflect the diversity of race, ethnicity, gender, and professional skill competencies necessary to adequately represent the constituency?
8. How does the board evaluate the performance of its members?
9. What procedures does the board have for recruitment, orientation, and retention of its members?
10. What procedures are in place to update the board members on issues relative to mission, organization, finances and programs?
9. What evidence demonstrates that the board operates autonomously without interference from affiliated organizations?

Integrated Elements & Questions

- Evidence that the institution is operating legally in its state or province.

1. If state or provincial authorization is required to offer credentials, what evidence is available to demonstrate compliance with these requirements?

XXX University received religious exempt authorization from the BPPVE in 1994. Having religious exempt approval, instead of degree-granting approval, limits our school in what GE courses it offers (or at least the names of those courses). Religious-exempt approval may also have a small negative impact on transferability and on sending graduates into masters programs. Therefore, we are considering degree-granting approval.

Documentation

BPPVE Approval Document

Suggestion

Apply to the BPPVE for Degree-Granting Approval. However, we may not want to schedule the application before completing this compliance document and program objectives.
--

- A constitution and bylaws that clearly and comprehensively provide a basis for institutional administration and governance.

Seeking to build on His foundation with gold, silver and precious stones (I Cor 3:11-14).

2. How do the enabling documents safeguard the purposes and structures of the institution. its core values?

The current constitution and bylaws were produced in April 2004. These were reviewed by Dr. Bell during his 2004 consultation visit. Bell’s report stated, “????????? ??????????????”

Documentation

- Constitution
- Bylaws

- A governing board that possesses autonomy and exercises legal power to establish and review policies of the institution.

Other Suggestions

The following table should assist board members in discussing this criterion.

Board Functions: How do we plan to execute each of the following functions?

Board Functions	How the Board Executes these Functions
Establish and review policy pertaining to administration, business management, academic affairs, and student life. Approving all official institutional documents	The Administrative Council will propose documents and handbooks for administration, faculty, students, etc. Board will review and vote before these become official. Various decisions will be forwarded from the administration to the board
Appointing, and when necessary, removing the president	The board will conduct an annual review of the president. In case of a presidential vacancy, the board will organize a presidential search committee
Conserving and developing financial resources	The board’s Finance Committee will develop financial policies to safeguard and manage funds and assets. They will see to it that financial management is implemented according to these policies and that all finances are audited annually. The finance committee will also facilitate board involvement in fundraising (especially major gifts and capital campaigns). The finance committee will encourage the development of multiple streams of income.
Serving as legal custodians of tangible and intangible college	The board will see to it that facilities are periodically reviewed.

property	
Controlling major physical change and development	As per bylaws, board must approve major physical change and development
Approving, upon recommendation, all administrative officers and college faculty	Hiring of full-time faculty and administrators must be approved by the board. Adjunct and part time faculty and administration may be hired by the president and academic dean without requiring board approval.
Approving the annual budget, including all tuition and fee charges	Each summer, the Finance Committee of the administration will submit a preliminary budget proposal to the Finance Committee of the board. A revised budget will be voted on in the Fall board meeting.
Representing the college both in relation to student recruitment and in relation to the raising of financial support	All board members will volunteer to serve the work of God at XXX UNIVERSITY by helping with student recruitment, fundraising, or in other ways representing the college.

- Board membership that excludes all employees except the chief executive officer.
- A governing board with elected officers that ~~does~~ **do** not include the chief executive officer.

The bylaws states that the president is the only employee who may serve on the board, that the president of the school cannot serve concurrently as the chairman of the board, that other administrators may be invited to consult with the board, and that board members should not circumvent the president in communication with the college community. The bylaws also state that the president cannot hold any board office.

Documentation

- | |
|---|
| <ul style="list-style-type: none"> • Bylaws, Articles 14, 16, and 32 |
|---|

- A governing board that assists in generating resources needed to sustain and improve the institution.

3. How does the board exercise its fiduciary responsibility for financial oversight and fund raising?

The board has agreed to the following, but not yet begun implementation:

The board’s Finance Committee develops financial policies to safeguard and manage funds and assets. They will see to it that financial management is implemented according to these policies and that all finances are audited annually. The finance committee will also facilitate

board involvement in fundraising (especially major gifts and capital campaigns). The finance committee will encourage the development of multiple streams of income.

Recommendation

- Train board members in typical fundraising strategies for board.

- A conflict of interest policy for board members that addresses issues such as financial interests, contracts, employment, family, or other personal interests in the institution.

6. Is there evidence that the board and administration are operating under sound principles relative to conflicts of interest?

The extent of our conflict of interest policy states, “As a measure to prevent mistake, fraud, embezzlement and conflicts of interest, two types of audits will be conducted.”

Documentation

- Bylaws, Article 23 - #8

Recommendation

- Propose to the board the following conflict of interest policy for addition to the bylaws: “People with unresolved conflicts of interest may not serve on the board. Board members may not benefit financially in any way from the school. If a board member has a relationship with any organization with which the school considers a contract, the board member must reveal this relationship as soon as he becomes aware of the possibility of a conflict. Board members may not be employed by the school (but may volunteer to teach an occasional class without remuneration). The preceding also applies to family of board members. Board members may resolve potential conflicts of interest divesting themselves of personal interests that can be understood as conflicts of interests or by a vote of the board that the issue is not significant (with minutes explaining the issue considered).
- Propose to the board that a “conflict of interest” review become part of the selection/search process for new board members.

- A governing board appropriate in size to operate efficiently and sufficiently diverse in terms of ethnicity, gender (where theologically appropriate), and professional competencies to represent the constituency.

7. What evidence is available to demonstrate that board members reflect the diversity of race, ethnicity, gender, and professional skill competencies necessary to adequately represent the constituency?

Our bylaws allow for up to fifteen board members. In the spring of 2004, we have twelve. This number of board members is appropriate for representing our constituency and for functioning efficiently.

Documentation

- Bylaws, Article 3

Our board's representation reflects the fact that our constituency is primarily the Calvary Chapel community. Although Calvary Chapels tend to not have women on boards, we have had one woman on our board. We do not currently have any female board members. In Spring 2004 student body is 12.5% Latino, 0.2% Filipino, 0.2% Pacific Islander, 0.2% Black, and 82% Caucasian. Our board currently has one Jewish believer in Jesus Christ, one Latino, and one member who is half Latino and half Japanese. Thus, our student body is 18% minority students, and our board is 25% minority members. The Calvary Chapel constituency is also primarily Caucasian, however, there is growing Latino contingent within the Calvary Chapels.

Suggestion

- We could explore how we might cultivate the Latino Calvary Chapels. One possibility would be to invite for speaking in chapels or teaching intensives, pastors of English-speaking, Latino Calvary Chapels. Since there are several 2-year Bible institutes in various Calvary Chapels (including some Latino institutes), we might also invite their directors and faculty for similar purposes.

The professional expertise of our board members includes education, finance, business, vocational ministry, government, counseling, and medicine. Board members do not receive tangible benefits from their position, but hopefully receive spiritual benefits by participating in our ministry. No board member exercises power as an individual in making decisions affecting the college.

- A governing board that is sufficiently autonomous to protect the integrity of the institution.

9. What evidence demonstrates that the board operates autonomously without interference from affiliated organizations?

XXX UNIVERSITY is controlled by an independent board (i.e. not Joshua Springs Calvary Chapel or the fellowship of Calvary Chapel churches). However, our board does include the pastor of the church and up to two other church-staff members. A copy of our board's annual audit is submitted to the board of the church. For the eleven years of our existence, Joshua Springs Calvary Chapel has given us a substantial amount of direct financial support. We are grateful to God for the privilege of being founded and associated with this vibrant and godly congregation. However, the church does not directly administer school affairs.

Documentation

- Bylaws, Articles 17-18

- A procedure in place for the assessment of the effectiveness of board members.
8. How does the board evaluate the performance of its members?

No procedure has been developed to assess the effectiveness of board members.

Recommendation

- Develop procedure for assessing the effectiveness of board members.

- A process for orienting and developing new board members, and providing updates for current members on issues relative to mission, organization, finances, and programs.

10. What procedures are in place to update the board members on issues relative to mission, organization, finances and programs?

To orient board members, all board members are given a book about non-profit boards. Time during each board meeting also includes instruction in operation of boards. A president's report at each board meeting updates members on relevant issues.

- 9 What procedures does the board have for recruitment, orientation, and retention of its members?

The board invites nominations of qualified persons to the board. Those wishing to nominate potential members should contact the board of directors. The board will seek testimony as to qualifications of a nominee. A delegated individual will then contact the nominee to discuss his or her interest. If this nominee is interested in serving God by serving on the board, the board of directors will vote on the matter.

Documentation

- Bylaws, Article 3

- A chief executive officer appointed by the board, to provide administrative leadership for the institution.

The board is responsible for selection and evaluation of the president of the school. The president is responsible for administration. The board is responsible for policy.

Documentation

- Bylaws, Article 18 - #4

- **Board policies and practices that restrain the board from individual and/or collective involvement in institutional administration.**

5. What evidence exists that the board understands its role in policy formation? What evidence is there that the board delegates management responsibilities to the president?

The bylaws do not clearly assure the appropriate division of labor (i.e. board being involved in policy formation, president involved in administration, board members are barred from administrative tasks).

Recommendation

- Add the following to the end of Article 1 of the Bylaws: The role of the board is policy formation. Management is delegated to the president. Neither the board, nor individuals from the board, are to involve themselves in institutional administration.

- **A board rotation system that encourages new members.**

Other than our president, the pastor of Joshua Springs Calvary Chapel, and up to two other members of the church staff, board members serve a three-year term. At the end of one term, board members can be reappointed for a second one. Before being considered for a third term, board members must take at least a year off from board service. The total membership of the board of directors is divided into three groups. Each group consists of the members whose term of office ends in a particular year. Thus, no more than one third of the board of directors is scheduled to end their term on the same year. If a member must leave his office before the end of his term, a new person can be appointed to complete his term. In this case, the new person's term of office would be less than three years (i.e. he completes the term of the person he replaces). Since a board member cannot serve more than two terms without rotating off the board, new board members are encouraged.

Documentation

- Bylaws, Articles 7-8

4. What organizational structures exist to enable the board to fulfill its responsibilities?

Our board has regularly scheduled board meetings twice per year. Other meetings can be called as needed. Committees function outside of meetings of the full board. Our bylaws require an Executive Committee and a Finance Committee. The board of directors may also organize an Academics Committee, Personnel Committee, Planning Committee, Communications Committee, and any other committees it desires. The Executive Committee acts when needed on behalf of the board between official meetings and consisting of the chairman of the board, school president, and one or two other local and accessible members.

Documentation

- Bylaws, Articles 11, 12, and 20

AGRON & ASSOCIATES, INC.

Accreditation Consulting - The Right Future © 2011

5110 N. Geer Ave., Covina, CA 91724

[\(626\) 617-0527](tel:6266170527) - www.accreditation101.com - info@accreditation101.com

Seeking to build on His foundation with gold, silver and precious stones (I Cor 3:11-14).