

Fresh Air, Inc.
Governance Policies

June 6, 2011

Preamble

Fresh Air, Inc. is a not-for-profit organization incorporated pursuant to the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Chapter 317A. Its articles of incorporation are dated 24th day of July, 1973. The composition of its Board of Directors is articulated in its bylaws, most recently amended in 2004. Currently, Fresh Air, Inc, owns one non-commercial radio station – KFAI fm, operating in the Twin Cities of Minneapolis and St. Paul, Minnesota.

Consistent with the above, the following document represents the governance policies of Fresh Air, Inc., effective July 20, 2009. All previous governance policies are superceded. Any apparent gaps, conflicts, questions or suggestions will be welcomed and should be forwarded to the President of the Board of Directors of Fresh Air, Inc. These policies were adopted by and may be amended only by resolution of the Board of Directors as provided for in the bylaws of Fresh Air, Inc.

These policies describe the governance method of the Fresh Air, Inc. They are organized by:

- Organizational Ends
- Governance Process
- Means Constraints
- Board-Executive Director Relationships

These policies are not designed to cover all eventualities; they are principles of operation. All decisions by the Board of Fresh Air, Inc., KFAI's Executive Director and staff are expected to be made using good faith judgment.

Fresh Air, Inc.

Governance Policies

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Organizational Ends

Policy #1.1: Mission

Affirmed and Included: July 20, 2009

Amended:

Mission

KFAI is a volunteer-based community radio station that exists to broadcast information, arts and entertainment programming for an audience of diverse racial, social and economic backgrounds.

By providing a voice for people ignored or misrepresented by mainstream media, KFAI increases understanding between peoples and communities, while fostering the values of democracy and social justice.

Organizational Ends

Policy #1.2: Programming

Affirmed and Included: July 20, 2009

Amended:

Programming

Programming is the principal product of Fresh Air, Inc. Programming on its station(s) shall be mission-driven. More specifically:

1. Public Affairs: Fresh Air, Inc.'s program services will be regional, informative, and entertaining, with a strong emphasis on listener participation, portraying issues and events through perspectives representative of our region.
2. Music Programs: Musical programming will be distinct, unique and of high quality. It will be intellectually and emotionally stimulating, capable of satisfying an audience with diverse, eclectic musical interests.

Organizational Ends

Policy #1.3: Volunteer Staff

Affirmed and Included: July 20, 2009

Amended:

Volunteer Staff

As an independent, community-licensed broadcaster, Fresh Air, Inc. is committed to the use of volunteers in all aspects of its operation, particularly as on-air programmer/producers. Since the development of volunteer programmer/producers is an important and unique part of Fresh Air's program service, the following is stated:

1. Fresh Air's program service shall use volunteer staff for a significant portion of its schedule. Moreover, Fresh Air shall strive to have a surplus of volunteer staff.
2. Volunteer staff are entitled to appropriate training; ongoing opportunities for professional growth and skills improvement; clearly-stated expectations and program guidelines; humane and dignified treatment as described in staff treatment policies; a positive and constructive volunteer experience as measured by ongoing volunteer feedback collected and reported by staff; and meaningful input into decision making where appropriate.
3. Volunteer staff must be committed to obtaining and updating technical training; demonstrate a willingness to improve on-air skills; must treat Fresh Air members, other volunteers, audience, paid staff, and members of the public with respect and consideration; must report for shifts in a responsible manner; and shall obey all rules and regulations legitimately imposed by Fresh Air staff and management or external regulators.
4. Volunteers are expected to demonstrate commitment to audience and membership.
5. Nothing in this policy should be construed to limit board members from volunteering for Fresh Air, inc. on the same basis as other volunteers. In this capacity, board members have no special status and are operating on the same basis as other volunteers.6. Volunteer positions are managed by the Executive Director and his / her staff who have the authority to limit or terminate any individual's role as they deem necessary.

Organizational Ends

Policy #1.4: Audience

Affirmed and Included: July 20, 2009

Amended: April 2010

Audience

Fresh Air, Inc. shall deliver a service valued by our audience. Fresh Air, Inc. must be valued by our listeners, contributors, volunteers, and underwriters. The audience must feel that we are an important part of their daily lives.

1. Our audience includes all of the following:

- >People who contribute financially and are members
- >People who listen but do not contribute financially
- >Volunteers
- >Underwriters

2. Specifically, our primary audience is made up of people who live in the Twin Cities metro area who are community-based, intellectually curious, enjoy diverse music, and are multiculturally-oriented. Inherent in this description is the implication that our Mission Statement will resonate with our audience; our values are their values.

3. Additionally, we have an internet audience that is geographically and culturally diverse.

4. We shall strive to continuously improve our service and value. We believe that a growing, rather than declining, audience is evidence of improving service.

5. We shall evaluate our audience size, composition, loyalty and needs; using ratings, surveys, community outreach and other means to help us determine whether we are delivering a valued service.

Organizational Ends

Policy #1.5: Community Relations

Affirmed and Included: July 20, 2009

Amended:

Community Relations

Fresh Air will provide media access to a broad range of educational, political, and cultural organizations which are representative of the listening area, inclusive of a range of interests and opinions.

Fresh Air will actively seek partnerships with organizations to generate new programs and program segments, and to cooperate in non-broadcast projects.

Fresh Air will also establish itself in the community through these organizations' newsletters, meetings, etc. Fresh Air will use local media to promote its partnerships with community organizations.

Governance Process

Policy #2.1: Governing Style

Affirmed and Included: July 20, 2009

Amended:

Governing Style

The board will approach its task with a style which emphasizes strategic leadership more than administrative detail, clear distinction of board and staff roles, future orientation rather than past or present, and is proactive rather than reactive. In this spirit the board will:

1. Focus chiefly on intended long-term impacts, not on the administrative or programmatic means of attaining those ends.
2. Direct and inspire the organization through careful establishment of the broadest organizational values and perspectives (policies). Policies will address:
 - a.) *Organizational Ends*: what benefits for which people at what cost,
 - b.) *Means Constraints*: boundaries of prudence and ethics to be observed by staff,
 - c.) *Governance Process*: board role and responsibilities, and
 - d.) *Board-Executive Director Relationship*: linkage between board and staff, including monitoring and assessment of executive performance.
3. Enforce upon itself whatever discipline is needed to govern effectively. Discipline will apply to attendance and participation, policymaking principles, speaking with one voice, and self-policing of any tendency to stray from governance adopted in board policies.
4. Be accountable to Fresh Air, Inc. membership and the general public for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the board to usurp this role or hinder this discipline.
5. Monitor and regularly discuss the board's own process and performance. Ensure the continuity of board improvements through systematic treatment of its own institutional memory.
6. Be an initiator of policy, not merely a reactor to staff initiatives. The board, through the Executive Director, is responsible for the organization's performance.

Governance Process

Policy #2.2: Board Members' Code of Conduct

Affirmed and Included: July 20, 2009

Amended:

Board Members' Code of Conduct

The board expects of itself and its members ethical and business-like conduct. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as board members.

1. Board members must represent unconflicted loyalty to the interests of Fresh Air, Inc. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. This accountability supersedes that personal interest of any director acting as an individual consumer of Fresh Air, Inc.'s services.
2. Board members must avoid any conflict of interest with respect to their fiduciary responsibility.
 - a. There must be no self-dealing or any conduct of private business or personal services between any director and Fresh Air, Inc. except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.
 - b. Board members must not use their personal positions to obtain for themselves, family members, or close associates employment within the organization.
 - c. Should a director be considered for employment by the organization, s/he must temporarily withdraw from board deliberation, voting, and access to applicable board information.
3. Board members may not attempt to exercise individual authority over the organization, except as explicitly set forth in board policies.
 - a. Board members' interactions with the Executive Director or with staff must recognize the lack of authority in any individual director or group of board members except as noted above.
 - b. Board members' interactions with the public, press, or other entities must recognize the same inability of any director or board member to speak for the board.
 - c. Board members will make no judgments of the Executive Director or staff performance except as that performance is assessed by the official performance evaluation process.

Governance Process

Policy #2.3: Board Committee Principles

Affirmed and Included: July 20, 2009

Amended:

Board Committee Principles

The board may establish committees to help carry out its responsibilities but unless specifically instructed by board policy or board directive, a board committee may not act independent of the board. To preserve a cohesive and active board, committees will be used sparingly, only when other methods have been deemed ineffective. It is intended that board committees will be used to develop perspectives and recommendations to present to the board for its consideration, deliberation and adoption if so voted on by the board. A committee does not fulfill the board's job, and is never to interfere with the responsibilities delegated by the board to the Executive Director.

1. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority of the board or authority delegated to the Executive Director.
2. Board committees are to help the board do its job, not to help the staff do its job. Committees will assist the board chiefly by preparing policy alternatives and implications for board deliberation. Board committees are not to be created by the board to advise staff.
3. Board committees cannot exercise authority over staff and board committees will not ordinarily have direct dealings with current staff operations. Further, the board will not reduce the delegated authority of the Executive Director by requiring approval of a board committee before an executive action. The Executive Director works for the board, never for a board committee or officer.
4. This policy applies only to committees which are formed by board action, whether or not the committees include non-board members. It does not apply to committees formed under the authority of the Executive Director.

Governance Process

Policy #2.4: Board Job Contributions

Affirmed and Included: July 20, 2009

Amended:

Board Job Contributions

The job of the board is to make certain contributions which lead Fresh Air, Inc. toward the desired performance and assure that it occurs. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. Consequently, the "products," or job contributions, of the board shall be:

1. A link between the organization and its constituents (anyone who is affected by or must carry out the work of Fresh Air, Inc.).
2. Written governing policies which, at the broadest levels, address:
 - a. *Organizational Ends*: Organizational products, impacts, benefits, outcomes (what good for which people at what cost).
 - b. *Means Constraints*: Constraints on executive or managerial authority, which establish the boundaries of prudence and ethics within which lies the acceptable arenas of executive activity, decisions, and organizational circumstances.
 - c. *Governance Process*: Specification of how the board conceives, carries out, and monitors its own task.
 - d. *Executive Director-Board Relationship*: How power is delegated and its proper use monitored.
3. The evaluation of Executive Director performance against Organizational Ends policies and Means Constraints.

Governance Process

Policy #2.5: Board President's Role

Affirmed and Included: July 20, 2009

Amended:

Board President's Role

The President's primary role is to ensure the integrity of the board's processes. Generally, the President is the only person authorized to speak for the board.

1. The President will ensure that the board behaves in a manner consistent with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will be only those issues which, according to board policy, clearly belong to the board to decide, not the Executive Director.
 - b. Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited as to time, and kept to the point.
 - c. Robert's Rules are observed except where the board has superseded them.

2. The authority of the President consists of making any decision on behalf of the board, which falls within or is consistent with board policies on Governance Process and on the Board-Executive Director Relationship.
 - a. The President is empowered to chair board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing, etc.).
 - b. The President's authority does not extend to making decisions within Organizational Ends and Means Constraints policy areas, each of which is within the purview of the Executive Director.
 - c. The President's authority does not extend to supervising, interpreting board policies to, or otherwise directing the Executive Director.

Board Composition

Governance Process

Policy #2.6: Board Composition

Affirmed and Included:

Amended: April 2010

Because KFAI seeks to serve an audience of diverse racial, social and economic backgrounds, we strive for a board composition that is representative of our community.

Means Constraints

Policy #3.1: General Executive Constraint

Affirmed and Included: July 20, 2009

Amended:

General Executive Constraint

The Executive Director shall not cause or allow any practice, activity, decision, or organizational circumstance which is either imprudent or in violation of commonly accepted business or professional ethics. More specifically:

1. Dealings with staff and volunteers shall not be inhumane, unfair, undignified, or illegal.
2. Budgeting for any fiscal period or the remaining part of any fiscal period shall not deviate materially from board Organizational Ends priorities, risk fiscal jeopardy, nor fail to show a generally acceptable level of foresight.
3. Actual financial condition of Fresh Air, Inc. shall not at any time place the organization in fiscal jeopardy or compromise board Organizational Ends priorities.
4. Information and advice to the board will have no significant gaps in either timeliness, completeness, or accuracy.
5. Assets may not be unprotected, inadequately maintained, or unnecessarily risked.
6. Compensation and benefits shall not deviate materially from market.
7. The Executive Director shall not impede the free flow of information about board issues and processes.
8. There shall be no conflict of interest in awarding purchases or other contracts.

Means Constraints

Policy #3.2: Staff Treatment

Affirmed and Included: July 20, 2009

Amended:

Staff Treatment

With respect to the treatment of paid and volunteer staff, the Executive Director may not cause or allow conditions which are inhumane, unfair, undignified, or illegal. Accordingly, s/he may not:

1. Discriminate among employees on other than clearly job-related requirements, individual performance or qualifications.
2. Subject staff to unsafe or unhealthy conditions.
3. Withhold from staff a written personnel policy inclusive of a due process, non-biased grievance procedure.
4. Prevent staff from grieving to the board when a.) internal grievance procedures have been exhausted, *and* b.) the employee alleges *either* that board policy has been violated to his/her detriment *or* board policy does not adequately protect his/her human rights.
5. Withhold from volunteers a written volunteer policy inclusive of a due process, non-biased grievance procedure.

Means Constraints

Policy #3.3: Financial Planning

Affirmed and Included: July 20, 2009

Amended:

Financial Planning

With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the Executive Director may not jeopardize either the programmatic or fiscal integrity of Fresh Air, Inc. Accordingly, s/he may not cause or allow budgeting which:

1. Contains too little detail to enable reasonably accurate projection and tracking of revenues and expenses, and disclosure of planning assumptions.
2. Fails to conservatively project an operating surplus.
3. Does not allow for prudent financial cash flow management.
4. Plans expenditures for other than board-stated priorities.

Means Constraints

Policy #3.4: Asset Protection

Affirmed and Included: July 20, 2009

Amended:

Asset Protection

With respect to proper stewardship of Fresh Air, Inc.'s assets, the Executive Director may not risk losses beyond those necessary in the normal course of business. Accordingly, s/he may not:

1. Fail to insure against theft and casualty losses to at least 80% replacement value.
2. Subject physical plant and equipment to improper wear and tear or insufficient maintenance.
3. Unnecessarily expose the organization, its board, staff, or volunteers to claims of liability.
4. Fail to receive board approval before making purchases for more than \$5,000.
5. Receive, process, or disburse funds under controls insufficient to meet the board-appointed auditor's standard.
6. Write any check over \$2,000 without co-signature from designated board member.
7. Invest operating capital in insecure instruments, including uninsured checking accounts, and bonds of less than AAA rating.
8. Refuse reasonable requests of the board or its designated agent to examine the books of accounts.
9. Sell, license, encumber or significantly modify any broadcast license or facility, real estate or other long term asset without approval of the board.

Means Constraints

Policy #3.5: Communication and Counsel to the Board

Affirmed and Included: July 20, 2009

Amended:

Communication and Counsel to the Board

With respect to providing information and counsel to the board, the Executive Director may not cause or allow the board to be uninformed or misinformed. Accordingly s/he may not:

1. Let the board be unaware of relevant trends, public events of the organization, material internal and external changes, particularly in the assumptions upon which any board policy has previously been established.
2. Fail to submit the monitoring data required by the board policy “Monitoring Executive Performance” in a timely, accurate, and understandable fashion, directly addressing the provisions of the board policies.
3. Fail to gather as many staff and external points of view, issues, and options as needed for fully informed board choices.
4. Present information in unnecessarily complex or lengthy form.

Means Constraints

Policy #3.6: Compensation and Benefits

Affirmed and Included: July 20, 2009

Amended:

Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Executive Director may not cause or allow jeopardy to fiscal integrity or public image. Accordingly s/he may not:

1. Change his/her own compensation and benefits as established by the board.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits which:
 - a. Deviate materially from the geographic or professional market for the skills employed.
 - b. 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 of revenue.
4. Establish deferred or long term compensation and benefits which:
 - a. Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.
 - b. Provide less than basic benefits to all full time employees, though differential benefits to encourage longevity in key employees are not prohibited.
 - c. Allow employees to lose benefits already accrued from any foregoing plan.
 - d. Treat the Executive Director differently from other comparable key employees.
 - e. Are instituted without prior board approval.

Means Constraints
Policy #3.7: Financial Condition
Affirmed and Included: July 20, 2009
Amended:

Financial Condition

With respect to the financial health of Fresh Air, Inc., the Executive Director may not cause of allow the development of fiscal jeopardy or loss of financial integrity (the ability to pay bills through the management of cash flow). Accordingly s/he may not:

1. Fail to maintain an annual operating surplus.
2. Use a line of credit established by the corporation in any fashion other than that which keeps such usage to an absolute minimum.
3. Allow, on an annual basis, any condition which does not represent a positive ratio between current assets and current liabilities.
4. Use any long term reserves unless specifically approved by the board.
5. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
6. Incur a debt that cannot be repaid within one year without board approval.
7. Allow the expenditure of funds which deviates from board-stated priorities.
8. Use any restricted funds in violation of the restrictions placed by the donor
9. Fail to maintain the board-designated cash reserve of \$120,000 without approval of the board

Board-Executive Director Relationship
Policy #4.1: Delegation to the Executive Director
Affirmed and Included: July 20, 2009
Amended:

Delegation to the Executive Director

The board role is generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the Executive Director. Organizational Ends policies direct the Executive Director to achieve certain results; Means Constraints constrain the Executive Director to act within acceptable boundaries of prudence and ethics. All board authority delegated to staff is delegated through the Executive Director, so that all authority and accountability of staff can be phrased, insofar as the board is concerned, as authority and accountability of the Executive Director.

1. The Executive Director is authorized to establish all further policies, make all decisions, take all actions, and develop all activities which are true to the board's policies. The board may, by extending its policies, restrict areas of the Executive Director's authority, but will respect the Executive Director's choices so long as the delegation continues. This does not prevent the board from obtaining information about activities in the delegated areas.
2. No individual board member, officer, or committee has authority over the Executive Director. Information may be requested by a board member, but if such request, in the Executive Director's judgment, requires an inordinate amount of staff time or organizational resources, it may be deferred until confirmed by a vote of the board of directors.
3. The Executive Director may not perform, allow, or cause to be performed any act which is contrary to explicit board constraints on executive authority.
4. Should the Executive Director deem it necessary to violate board policy, s/he shall inform the President of the board promptly. Informing is simply to guarantee no violation may be intentionally kept from the board, not to request approval. Officer response, either approving or disapproving, does not exempt the Executive Director from subsequent board judgment of the action, nor does it impede any executive decision.

Board-Executive Director Relationship
Policy #4.2: Executive Director Job Contribution
Affirmed and Included: July 20, 2009
Amended:

Executive Director Job Contribution

As the board's single official link to the operating organization, the Executive Director is accountable for organizational performance and exercises all authority delegated to the organization by the board. Executive Director performance will be considered to be synonymous with organizational performance.

Consequently, the Executive Director's job contributions can be stated as performance in the following areas:

1. Accomplishment of the provision of board policies on Organizational Ends.
2. Organizational operation within the boundaries of prudence and ethics established in board policies on Means Constraints.

Board-Executive Director Relationship
Policy #4.3: Monitoring Executive Performance
Affirmed and Included: July 20, 2009
Amended:

Monitoring Executive Performance

Monitoring executive performance is synonymous with monitoring organizational performance against board policies on Organizational Ends and on Means Constraints. Monitoring will be as automatic as possible, using a minimum of board time so that meetings can be used to create the future rather than review the past.

1. The purpose of monitoring is simply to determine the degree to which organizational goals and board policies are being fulfilled.
2. A given policy may be monitored in one or more of three ways:
 - A. Internal Report: Disclosure of compliance information to the board from the Executive Director.
 - B. External Report: Discovery of compliance information by a disinterested external auditor, inspector, or judge who is selected by and reports directly to the board. Such reports must assess executive performance only against policies of the board, not the external party's expectations, unless the board has previously indicated that party's opinion to be the standard.
 - C. Direct Board Inspection: Discovery of compliance information by a board member, a committee, or the board as a whole. This is a board inspection of documents, activities, or circumstances directed by the board which allows a "prudent person" test of policy compliance.
3. Upon the choice of the board, any policy can be monitored by any method at any time. However, each Organizational Ends and Means Constraints policy (except the General Executive Constraint) of the board will be classified by the board according to frequency and method of regular monitoring.
4. Policies will be monitored according to a schedule established by the board.