

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

Policies Related to the Board & COO

Introduction

To be effective, clarity is required in expectations for KICA Board members and the KICA Chief Operating Officer (COO), as well as a delineation of the role of the board versus the role of the COO in executing the core responsibilities of KICA.

The KICA Board members and the Chair of the KICA Board experience relatively short terms and routine turnover, while the COO and the KICA staff remain in their roles over longer periods of time. The clear delineation of roles and responsibilities between the board and the KICA staff allows the staff to execute against longer term priorities; ensure effective day-to-day operations; and position the board to ensure the staff is effectively executing against a KICA mission and strategies that align with the interest of its members.

As the COO is the highest executive officer in the organization, specific guidelines and policies are included to assist the COO in effectively managing the Association.



Board & COO Responsibilities

Following is a responsibility chart outlining general responsibilities of the Board and the COO, designed to ensure roles are clear and to assist in helping both volunteer board members and the COO to handle their responsibilities appropriately.

RESPONSIBILITY	COO	BOARD
PLANNING		
Strategic Planning		
A. Creation of	<ul style="list-style-type: none"> Leads the process & creation/review of the plan 	<ul style="list-style-type: none"> Determines & approves strategic objectives of organization
B. Execution of	<ul style="list-style-type: none"> Determines & implements operational goals. Reviews for timelines and execution. Provides the board recommended changes to the plan. 	<ul style="list-style-type: none"> Oversees for timelines and/or goals met. Approves changes to the plan.
Day-to-Day Operations	<ul style="list-style-type: none"> Manages daily business operational functions. Ensures staff productivity. Identifies areas of improvement 	<ul style="list-style-type: none"> Fully delegated to COO Fully delegated to COO subject to the Board's oversight.
FINANCIAL MANAGEMENT		
Annual Budget		
A. Creation of	<ul style="list-style-type: none"> Leads the annual budget development process 	<ul style="list-style-type: none"> Provides input. Evaluates and approves



B. Execution of	<ul style="list-style-type: none"> Review of quarterly expenses and forecasting. Ensure adherence with approved financial policies. Makes recommendations for additional funding needs <u>Incurs liabilities and authorizes expenditures from budgeted funds for budgeted purposes</u> 	<ul style="list-style-type: none"> Review of quarterly financial report Approves additional funding requests
Financial Policies	<ul style="list-style-type: none"> Provides input to policies. Ensures adherence by staff 	<ul style="list-style-type: none"> Provides input to policies. Evaluates needs & approves
Annual Audit	<ul style="list-style-type: none"> Works with audit team in providing financial records 	<ul style="list-style-type: none"> Approves auditing firm. Accepts annual audit
Major facility renovations and/or expansions	<ul style="list-style-type: none"> Provides input and develops recommendations. Manages approved projects. 	<ul style="list-style-type: none"> Evaluates plans & approves. Sets benchmarks/targets for project
GOVERNANCE		
Administration	<ul style="list-style-type: none"> Ensures records of corporation are kept in compliance with governing documents & state laws 	<ul style="list-style-type: none"> <u>Delegated to COO subject to the Board's oversight</u>Delegated to COO
Governance	<ul style="list-style-type: none"> Advisory to board 	<ul style="list-style-type: none"> Responsible for governance, oversight, and major decision-making
Board Policies	<ul style="list-style-type: none"> Provides input to policies. Ensures adherence by staff 	<ul style="list-style-type: none"> Provides input to policies. Evaluates needs & approves
STAFF MANAGEMENT		
Chief Operating Officer	<ul style="list-style-type: none"> Directed by the report to board, as further defined in <u>Governance Procedures Manual, 2(e)(ii)</u> 	<ul style="list-style-type: none"> Approval of employment contract Hiring/termination Review & salary determination
All Other Staff	<ul style="list-style-type: none"> Hiring & termination Management & development of staff Responsible for salary determinations. 	<ul style="list-style-type: none"> <u>Delegated to COO subject to the Board's oversight</u>Delegated to COO



Employee Policies	<ul style="list-style-type: none"> • COO approval 	<ul style="list-style-type: none"> • Provides input, as needed
Compensation Philosophy	<ul style="list-style-type: none"> • Develops with the HR Committee 	<ul style="list-style-type: none"> • Approval
COMMUNICATIONS		
Communications (Broad Audience)	<ul style="list-style-type: none"> • COO reviews & approves all member communications. 	<ul style="list-style-type: none"> • Day-to-day communications delegated to staff.
Communications (Board Specific Message)	<ul style="list-style-type: none"> • Publication as specified 	<ul style="list-style-type: none"> • Development & approval
Communications (Specific Member)	<ul style="list-style-type: none"> • COO &/or staff field all operational questions. • COO & staff assist with communications which are sent to the board. 	<ul style="list-style-type: none"> • Chair speaks on behalf of board. • Specific board members consulted on responses, based on topic.
Member Surveys	<ul style="list-style-type: none"> • Development & execution • Analysis of survey results 	<ul style="list-style-type: none"> • Provide input & approval
Liaison Responsibility with island and regional entities	<ul style="list-style-type: none"> • COO assists, as assigned 	<ul style="list-style-type: none"> • Board Chair or designee
EMERGENCY MANAGEMENT		
Island Emergencies	<ul style="list-style-type: none"> • COO oversees & manages 	<ul style="list-style-type: none"> • Board Chair & Vice Chair immediately notified. • Full board informed, as appropriate. • Allocation of needed resources



Signing Authorities

The COO is authorized to serve as a contracting agent for KICA, as defined by governing documents, Board policies and/or employment contract. The following is a general list of signing authorities and is not meant to be all inclusive.

Type of Document	COO	Board
Recordable Documents		
Deed of Conveyance to KICA	<ul style="list-style-type: none"> Recommendation to board 	<ul style="list-style-type: none"> Vote of board. Chair and Secretary signature.
Supplemental Declaration of Conveyance (Eugenia Avenue)	<ul style="list-style-type: none"> Preparation of document 	<ul style="list-style-type: none"> Previously approved by member vote. Chair and Secretary signature.
Easement Agreement	<ul style="list-style-type: none"> COO signature 	<ul style="list-style-type: none"> Specific approval required for COI, as specified by policy
Accounting Lien or Release of Lien	<ul style="list-style-type: none"> COO signature 	<ul style="list-style-type: none"> Quarterly review with Board. Board vote on any foreclosure action.
Covenant Compliance Lien or Release of Lien	<ul style="list-style-type: none"> COO signature 	<ul style="list-style-type: none"> Vote of board to record lien
General Business Documents		
SLED License (Security)	<ul style="list-style-type: none"> COO and Director of Security signatures 	<ul style="list-style-type: none"> No board approval required. All board members required to be listed with DOB and SSN.
Liquor License (Sandcastle)	<ul style="list-style-type: none"> Preparation & approval 	<ul style="list-style-type: none"> Individual background checks signed by board officers.
OCRM/DHEC/USACE <u>or other appropriate</u> permit applications for KICA Projects	<ul style="list-style-type: none"> COO signature 	<ul style="list-style-type: none"> N/A
Company Contracts	<ul style="list-style-type: none"> COO or designee signature 	<ul style="list-style-type: none"> Specific approvals as specified by policy



Accounting		
Bank Accounts	<ul style="list-style-type: none"> • Signatories: COO and Directors of Finance, Operations, Human Resources & Security 	<ul style="list-style-type: none"> • Approval by Chair & Treasurer for new accounts.
Investment Accounts	<ul style="list-style-type: none"> • Signatories: COO and Directors of Finance & Operations 	<ul style="list-style-type: none"> • Approval by Chair & Treasurer for new accounts
Banking documents	<ul style="list-style-type: none"> • COO and/or Dir of Finance 	<ul style="list-style-type: none"> • Some banking documents may require signatures from specific board officers.
Accounts Payable Checks over \$200K	<ul style="list-style-type: none"> • COO and designated signatories 	<ul style="list-style-type: none"> • Notice to Chair, Vice Chair, and Treasurer, as specified by policy
Vendor Credit Application up to \$25K	<ul style="list-style-type: none"> • COO or Dir of Finance 	<ul style="list-style-type: none"> • N/A
Vendor Credit Application over \$25K	<ul style="list-style-type: none"> • COO or Dir of Finance 	<ul style="list-style-type: none"> • Approval of Chair & Treasurer.
Financial Institution - Credit Application (less than \$500K)	<ul style="list-style-type: none"> • COO or Dir of Finance 	<ul style="list-style-type: none"> • Approval of Chair & Treasurer. Notice to full board.
Financial Institution – Credit Application (\$500K or greater)	<ul style="list-style-type: none"> • COO or Dir of Finance 	<ul style="list-style-type: none"> • Approval of full board
Insurance Application	<ul style="list-style-type: none"> • COO or Dir of Finance 	<ul style="list-style-type: none"> • N/A
IRS 990 Filing	<ul style="list-style-type: none"> • COO signature 	<ul style="list-style-type: none"> • Board reviews prior to filing
Employees		
Employee Terminations	<ul style="list-style-type: none"> • COO and Director of HR 	<ul style="list-style-type: none"> • COO only, signed by Chair



Policy - COO Expenses

While the COO or managing department head approves expense claims for staff members, additional steps are required for expenses incurred by the COO. The KICA COO's expenses may consist of credit card charges, reimbursement and discretionary budget expenses. The COO's expected annual expenses and discretionary expenses should be budgeted annually. The COO may also budget for company-related professional memberships and licenses, as well as educational classes and conferences, as needed to maintain these memberships and licenses.

Memberships in the Kiawah Island Club, offered by the master developer, and/or the Governors Club, offered by the Kiawah Island Golf Resort, may be included in the COO's contract, if approved by the KICA Board.

The COO is issued a company credit card, which carries the balance of the company's monthly credit limit. It is preferred that the COO utilize the company credit card for company-related expenses. Expenses are supported by documentation as required by KICA Accounting. The following guidelines are in place for the COO's company credit card:

- Monthly, the COO's company credit card statement, with all backup documentation, is sent to the Chair for review. Chair to sign off on review of monthly statement. Documentation is maintained with the Director of Finance.
- Travel expenses may be charged to the company credit card, to include hotel, airfare, company-related conference registration, company-related educational classes, ground transportation, vehicle rental, meals, parking and/or taxi/ride-sharing services. Notification to the Chair of the KICA Board should be made prior to company-related travel.
- Cash advancements are not permitted on the company credit card, unless in a time of emergency, and specifically authorized by the Chair of the KICA Board in advance.
- When entertaining for company purposes, the COO, or highest level of employee in attendance, must pay and approval is required from one level up to include the Chair.

Periodically, the COO may have expenses which need to be reimbursed by the company. These may include mileage for the use of a personal vehicle (on-island or business-related travel) or for



expenses purchased with a personal credit card. For all reimbursable expenses, the Chair will sign off, prior to any reimbursements from the company. Documentation is maintained with the Director of Finance.

In the event that the Chair of the KICA Board is not available to provide review or authorization, related to this policy, the Treasurer of the KICA Board may provide review or authorization.



Policy – COO with Members of the KICA Board in Conflict

This policy is intended to give direction to the COO in the event a KICA Board Director(s) is making request(s) of the COO, or other KICA staff members, which are in conflict with another Director, or if a Director is making a request the COO feels is incorrect, unethical, or not in line with current KICA policy.

In the event (1) there is a particular conflict between a board members & the COO or (2) contradicting information is given to the COO from multiple board members, the COO shall refrain from further action, immediately alerting a board member not involved in the conflict. The COO will take no action until the board has resolved the conflict.

Resolution of the conflict may be done by a vote of the Board of Directors. KICA legal counsel may be involved, if needed, to assist in determining next steps or to provide resolution guidance to the Board of Directors. Any formal vote of the KICA Board shall be appropriately recorded in the corporate minutes.



