



Board Policies Manual (BPM)

Part 1: Introduction and Administration

This Board Policies Manual (BPM) contains all of the current standing (on-going) policies adopted by the Board of Regents (BOR) of the American Knife & Tool Institute since the initial approval on September 5, 2018, at the board meeting when parts or the whole BPM were first approved].

1.1 Reasons for Adoption. Our reasons for adopting this BPM include:

- * Efficiency of having all on-going board policies in one place
- * Ability to quickly orient new board members to current policies
- * Elimination of redundant, or conflicting, policies over time
- * Ease of reviewing current policy when considering new issues
- * Clear, pro-active policies to guide the president, executive director and staff

1.2 **Consistency.** Each policy in this document is expected to be consistent with the law, the Articles of Incorporation, and Bylaws, all of which have precedence over these board policies. Except for time-limited or procedural-only board decisions (approve minutes, elect an officer, etc.), which are recorded in regular board minutes, all standing policies shall be included or referred to in this document. The executive director is responsible for developing organizational and administrative policies and procedures that are consistent with this BPM.

1.3 **Transition.** Whether adopted part by part or as a complete document, as soon as some version of the BPM is voted on as the “one voice” of the board, those policies are deemed to supersede any past policy that might be found in old minutes unless a prior board resolution or contract obligates the organization to a specific matter. If any actual or apparent conflict arises between the BPM and other policies or board resolutions, the matter shall be resolved by the president or the entire board as may be appropriate.

1.4 **Changes.** These policies are meant to be reviewed annually by a committee of board members appointed by the president. The executive director helps the board formulate new language in the BPM by distributing proposed changes in advance. Any change to this BPM must be approved by the full board. Any board member as well as the executive director may submit proposed changes. In most cases, proposed changes shall be referred to and reviewed by the appropriate committee before being presented to the board for action. Whenever changes are adopted, a new document should be printed, dated, and quickly made available to the board and staff. The previous version should be kept for future reference if needed.

1.7 **Maintenance of Policies.** The president shall ensure that staff record and publish all standing policies correctly. The executive director or the executive director’s designee shall maintain the

policies file and provide updated copies to the board on a timely basis whenever the policies change, or upon request. The current version will be maintained in the board only section of the organization's website.

1.8 Context of Other Policies. This BPM fits into this hierarchy of policies within which authority flows down and accountability flows up.

1. Laws and Applicable Regulations
2. Articles of Incorporation
3. Bylaws
4. Board Policies Manual
5. Executive Director approved Organizational Policies

Part 2: Organization Essentials

2.1 Our **vision** is ...The American Knife and Tool Institute (AKTI), a non-profit organization representing all segments of the knife industry and all knife users, is recognized worldwide as a respected, credible and accurate source for legislative input, legislation status and industry information pertaining to knives and edged tools. AKTI provides a focal point for resources and volunteer energy in the sensible evolution, development, and the consistent enforcement of knife legislation. AKTI is the go to source for educational content about the history and future of knives and edged tools. AKTI has been the reasonable and responsible voice of the knife-making and knife-using community since 1998.

2.2 Our **mission** is to ensure that Americans will always be able to buy, sell, own, carry and use knives and edged tools.

2.3 To accomplish this mission our **goals** are to:

Educate – the public, legislators and law enforcement about knives, one of man's oldest tools as still relevant and valuable in daily lives.

Promote – reasonable, responsible and consistent knife legislation to elected officials, law enforcement, regulatory agencies and individuals. We seek enactment of laws that punish criminals, do not outlaw tools, and provide for consistent enforcement.

Inform – with accurate industry, historical, and technical information, to help legislators, educators, the knife industry, and knife users make responsible decisions regarding knives.

2.4 The **values** that guide all we do are ... that knives are valuable tools, first and foremost. We believe that people should always strive to be self-reliant and prepare themselves for contingencies in life. We believe they should have the legal clarity and the freedom to determine the tools they choose to carry in order to do that.

2.5 The **moral owners** to whom the board feels accountable are our membership.

2.6 The primary **beneficiaries** of our services are the knife industry and all knife users.

Part 3: Board Structure and Processes

3.1 Governing Style. The board will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of board and staff roles, and pro-activity rather than reactivity. In this spirit, the board will:

3.1.1 Enforce upon itself and its members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect of clarified roles, speaking to management and the public with one voice, and self-policing of any tendency to stray from the governance structure and process adopted in these board policies.

3.1.2 Be accountable to its stakeholders 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 commitment.

3.1.3 Monitor and regularly discuss the board's own process and performance, seeking to ensure the continuity of its governance functions by selection of capable directors, orientation and training, and evaluation.

3.1.4 Be an initiator of policy, not merely a reactor to staff initiatives. The board, not the staff, will be responsible for board performance.

3.2 Board Members' Code of Conduct. The board expects of itself and its members ethical and businesslike conduct. Board members must represent un-conflicted loyalty to the interests of the entire organization, superseding any conflicting loyalty such as that to family members, a business, other advocacy or interest groups and membership on other boards or staffs. Board members must avoid any conflict of interest with respect to their fiduciary responsibility to the organization. Board members will act in the interest of the organization by bringing all industry issues to the entire board for consideration for joint consideration and possible action. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.

Each board member is expected to complete and sign a Confidentiality Acknowledgement (See Addendum B), annually sign a Conflict of Interest Policy Signature Page (See Addendum C), which covers, inter alia, board conflicts of interest, in accordance with the laws of the State of West Virginia governing not-for-profit organizations, and other expectations of board members, Board Awareness Document (See Addendum D) which covers antitrust acknowledgements, and complete a Conflict of Interest Annual Questionnaire.

3.3 Board Job Description. The job of the board is to lead the organization toward the desired performance and ensure that it occurs. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. To perform its job, the board shall:

3.3.1 Determine the mission, values, strategies, and major goals/outcomes and hold the executive director accountable for developing a staff strategic plan based on these policies.

3.3.2 Determine the parameters within which the executive director is expected to achieve the goals/outcomes.

3.3.3 Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.

3.3.4 Maintain and constantly improve all on-going policies of the board in this BPM.

3.3.5 Select, fairly compensate, nurture, evaluate annually and, if necessary, terminate a executive director, who functions as the board's sole agent.

3.3.6 Ensure financial solvency and integrity through policies and behavior (including help as volunteers in fundraising).

3.3.7 Require periodic financial and other external audits or reviews to ensure compliance with the law and good practices.

3.3.8 Evaluate and constantly improve the board's performance as the governing board and set expectations for board members' involvement as volunteers.

3.4 Board Member Criteria and Orientation. In nominating members for the board, the board shall be guided by the board-approved profile. (See Addendum A.) Prior to election, each nominee shall be given this BPM along with adequate briefings on the role of the board, officers, and staff, and an overview of programs, plans, and finances. Soon after election, each new board member will be given additional comprehensive orientation material and information.

3.5 President's Role. The job of the president is, primarily, to maintain the integrity of the board's process. The president "manages the board." The president is the only board member authorized to speak for the board, other than in rare and specifically board authorized instances.

The president ensures that the board behaves consistent with its own rules and those legitimately imposed upon it from outside the organization. Meeting discussion content will be those issues that, according to board policy, clearly belong to the board to decide, not staff.

The authority of the president consists only in making decisions on behalf of the board that fall within and are consistent with any reasonable interpretation of board policies in Parts III and IV of this BPM. The president has no authority to make decisions beyond policies created by the board. Therefore, the president has no authority to supervise or direct the executive director's work, but is expected to maintain close communication, offer advice, and provide encouragement to the executive director and staff on behalf of the board.

3.6 Board Meetings. Board events often will include time for guest presenters, interaction with staff and beneficiaries, board training, committee meetings, social activities, and plenary business sessions. Policies that are intended to improve the process for planning and running meetings follow:

3.6.1. **Agendas.** The executive director shall work with the president and committee chairs in developing agendas which, along with background materials for the board and committees, monitoring reports, the executive director's recommendations for changes in the BPM, previous minutes, etc. shall be mailed (or emailed) to all board members approximately two weeks in advance of board meetings.

3.6.2 **Regular Meetings.** Regular board meetings shall be held quarterly, including two joint meetings held with Advisory members in conjunction with the SHOT Show and the BLADE Show, preceded by a reminder notice approximately 30 days in advance of the meeting date. The last meeting of the year shall include a review of the planning and budgeting for the upcoming year. The second meeting of the year shall include a review of the performance of the executive director and the organization for the past year.

3.6.3 **Special Meetings.** Special meetings of the board can be held via teleconference and may be called by the president or a majority of the board with a notification at least five days prior to the meeting time.

3.6.4 **Conference Calls.** Meetings of the Board by conference call may be held as necessary. Board members who cannot attend a meeting in person may attend via telephone conference call. Minutes of conference calls by the board will be held and reviewed for adoption by the board at the next regularly scheduled board meeting. Participants are expected to have quality phone connections and mute their phone lines unless speaking.

3.6.5 To ensure the greatest amount of discussion and debate at board meetings and committee meetings, **no electronic recording device will be permitted.**

3.6.6 **Voting.** Voting will be done by voice unless otherwise requested by a member of the board, at the direction of the president or required by these policies. A board member who is present at a meeting at which action is taken will be presumed to have concurred unless the dissent of the board member is entered into the minutes of the meeting as a "no" vote.

3.6.7 **Disqualification from Voting.** No member of the board may vote on any matter in which the board member has a direct or indirect financial interest.

3.6.8 **Quorum.** A majority of all current members of the board will constitute a quorum for purposes of conducting official board business.

3.6.9 **Email Voting.** Action may be voted on by email provided no board member requests further discussion by conference call or at a regular or special meeting. Any non-response votes will be considered a "yes" vote after 10 days.

3.6.10 **Minutes.** Minutes (and if necessary the updated BPM) shall be sent to board members within 21 days of board meetings (or board members will be notified by email that they have been placed on the board's website). Minutes will be recorded for all meetings, including conference calls and email votes. Minutes are a record of the actions of the board, not a record of discussion.

3.6.11 Parliamentary Procedures. Meetings are not required to be governed according to strict parliamentary procedures. In the event of questions Robert's Rules of Order Newly Revised will be used for proper parliamentary rules.

3.6.12 Proxy Voting. Board members unable to attend a meeting may designate a proxy per the laws governing nonprofit in the State of West Virginia.

3.7 Board Officers. Officers of the board will be a president and vice president/treasurer elected by vote of the board for an initial two-year term.

3.7.1 President. The president will collaborate with the executive director to prepare board meeting agendas, preside at board meetings, appoint committees and committee chairs, sign official documents and represent the board in public and official capacities as instructed by the board.

The president will also:

- chair the executive committee
- make special assignments
- act as liaison between board and executive director
- encourage the board to do long-range planning
- act to discipline board members who violate ethical stands of the board
- encourage all board members to participate
- ensure that all board members' views are represented in board meetings.

3.7.1 Vice President/ /Secretary/Treasurer. The vice president will preside at board meetings in the absence of the president and assume the office of the president when the board determines that the president can no longer serve. The vice president will also:

- serve on the executive committee
- work with the president to be prepared to assume that office
- manage special assignments as requested by the president

The vice president will be considered the official corporation secretary and may delegate any and all responsibilities for meeting minutes and other duties to the executive director.

Serving in the capacity that a treasurer would, the vice president will oversee but not manage the financial records of the organization and ensure that the board regularly receives reports of the financial condition. The treasurer will also:

- assist the board to understand the annual budget before approval
- chair the Finance Committee
- ensure that an annual review or compilation of the books is completed

3.7.2 Officer Election Process. Officers will be elected at the mid-year BLADE Show meeting and the board will use the following procedure in electing officers:

- Election will be by voice vote at a meeting at which a quorum of board members is present.
- Only board members present for elections will be allowed to vote for officers. No absentee ballots.
- Officer candidates must have consented to seek office before their name is placed in nomination.

- Current officers will serve as a nominating committee to find candidates willing to accept positions.

3.7.3 Terms of Office. Terms of all officers will be for two years. Only properly elected or appointed members of the board may serve as officers of the board. Each officer may be reelected for a second consecutive term to the same office, and then may stand for election for that same office again only after at least one year of absence from that office. It is the expectation that the vice president/treasurer will succeed the president.

3.7.4 Officer Authority. Officers of the board are elected to be servant-leaders of the board. All authority of the officers is delegated to them by the board of regents. No officers will have any authority to speak or act on behalf of the board other than that authority specifically granted in the bylaws, in board policy or by majority vote of the board.

3.7.5 Vacancy of Officer Positions. If a vacancy occurs in any elected office because of resignation, death, ineligibility to hold office, or formal removal of an officer by the board, the board will proceed to fill the vacancy at the earliest possible time. If the vacancy occurs in the president's office, the vice president will assume the office as soon as the board of regents declares the position vacant. The vice president will hold the office of president until the vacancy is filled in the prescribed manner of election of officers in this policy.

3.7.6 Removal of Officers. The board has the right to remove any officer from that elected position by the same authority that elected the officers. Officers may be removed from office for:

- gross or willful neglect of the duties of the office.
- misuse of AKTI funds.
- conviction of a felony.
- intentional lack of public support for the AKTI mission, staff or programs.
- failure to inform the board about issues that might impact board decisions.

Procedure for removal of any officer from office will be a simple majority vote of the board.

3.8 Standing Committees. Committees help the board be effective and efficient. They speak "to the board" and not "for the board." Unless authorized by the whole board, a committee may not exercise authority that is reserved to the whole board by the Bylaws or by the laws of the State of West Virginia governing not-for-profit organizations. Committees are not created to advise or exercise authority over staff. Once committees are created by the board, the board president shall recommend committee chairs and members for three-year terms, subject to board approval. The board president and the executive director are members of all committees.

3.8.1 Board Committee. This entire board functions as a Governance Committee to recommend policies pertaining to governance issues and processes including the orientation and training of new board members, the evaluation and improvement of the contribution of individual board members and officers, and the recommendation of Bylaw changes. The board will also develop a roster of potential board members based on the board profile, and nominate all board members and officers.

3.8.2 Finance Committee. This committee shall develop and recommend to the board those financial policies, plans, and courses of action that provide for mission accomplishment and

organizational financial well-being. Consistent with this responsibility, it shall review the annual budget and submit it to the board for its approval. In addition, the committee shall make policy recommendations with regard to the level and terms of indebtedness, cash management, investment policy, risk management, financial monitoring and reports, employee benefit plans, signatory authority for expenditures and other policies for inclusion in this BPM that the committee determines are advisable for effective financial management.

This committee shall oversee the organization's internal accounting controls; recommend external auditors for board approval; review the external auditors' annual audit, review or compilation plan; and review the annual report, management letter, and the results of any external audit or review. The committee, or its delegate, shall have an annual private conversation with the accountant and, as appropriate, legal counsel, all of whom may be contacted by the committee chair directly. In addition, the committee shall be responsible for oversight of regulatory compliance, policies and practices regarding corporate responsibility, and ethics and business conduct-related activities, including compliance with all Federal, state, and local laws governing tax exempt entities. The committee shall also oversee written conflict of interest policies and procedures of directors and officers and staff.

The Finance Committee will consist of the vice president as chair, and two board members (one of which may be the president).

3.8.3 Membership Committee. This committee is a subcommittee of the Finance Committee. A board member of the Finance Committee will serve on this committee. This committee will plan programs, recruit and monitor membership benefits and needs.

3.8.4 Marketing Committee. This committee shall study and recommend policies relating to communications and public relations as well as policies relating to raising financial and other resources for the organization.

3.8.5 Legislative Committee. This committee will study and recommend legislative or legal initiatives relating to the goals of the organizations.

3.8.6 Executive Committee. This committee shall comprise the president, vice president, the immediate past president for one year, and the executive director. Except for the actions enumerated below, it shall have the authority to act for the board on all matters so long as the Executive Committee determines that it would be imprudent to wait for the next board meeting to take such action. With respect to any action taken on behalf of the board, (1) the Executive Committee is required to report the action to the board within 10 days and (2) the board must ratify the action at the next board meeting.

The Executive Committee is **not** authorized to make decisions with respect to the following matters:

- 3.8.6.1 Dissolve the corporation
- 3.8.6.2 Hire or fire the chief executive
- 3.8.6.3 Enter into major contracts or sue another entity
- 3.8.6.4 Make significant changes to a board-approved budget
- 3.8.6.5 Adopt or eliminate major programs
- 3.8.6.6 Buy or sell property
- 3.8.6.7 Amend the Bylaws

3.8.6.8 Change any policies the board determines must be changed only by the board.

3.8.7 Committee Composition. Each committee will include a minimum of three (3) members. Members of the Membership, Education, Legislative and Marketing Committees may be either board, advisory members or premier members. Committee chairs will be a member of the board.

3.8.8 Committee Missions. Each committee should develop a mission statement.

3.8.9 Committee Meetings. Committees will schedule teleconference meetings approximately monthly and should schedule a meeting at the SHOT Show and Blade Show, whenever possible. Recaps of meetings or minutes will be shared by email with all members of the board and do not need to be approved by the committee or the board.

3.9 Advisory Members. The Advisory Members will meet with the board twice a year during the SHOT Show and BLADE Show board meetings. The board approves members to this category with the purpose of increasing the available expertise and resources available. Advisory members are expected to serve on one committee and offer support to the organization's efforts.

Part 4: Board – Executive Director/Staff Relationship

4.1 Delegation to the Chief Executive (Executive Director). While the board's job is generally confined to establishing high-level policies, implementation and subsidiary policy development is delegated to the executive director.

4.1.1 All board authority delegated to other staff is delegated through the executive director, so that all authority and accountability of staff -- as far as the board is concerned -- is considered to be the authority and accountability of the executive director.

4.1.2. The board may change its policies during any meeting, thereby shifting the boundary between board and executive director domains. Consequently, the board may change the latitude of choice given to the executive director, but so long as any particular delegation is in place, the board and its members will respect and support executive director choices. This does not prevent the board from obtaining information in the delegated areas.

4.1.3 Except when a person or committee has been authorized by the board to incur some amount of staff cost for study of an issue, no board member, officer, or committee has authority over the executive director that requires a material amount of staff time or funds or is disruptive, it may be refused until the president determines that the work is important for board work.

4.2 Executive Director Job Description. As the board's single official link to the operating organization, executive director performance will be considered to be synonymous with organizational performance as a whole. Consequently, the executive director's job contributions can be stated as performance in two areas: (a) organizational accomplishment of the major organizational goals in Section 2.8, and (b) organization operations within the boundaries of prudence and ethics established in board policies on Executive Parameters in Part 5.

4.3 Communications and Counsel to the Board. With respect to providing information and counsel to the board, the executive director shall keep the board informed about matters essential to carrying out its policy duties. Accordingly, the executive director shall:

4.3.1 Inform the board of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established, always presenting information in as clear and concise formats as possible.

4.3.2 Relate to the board as a whole except when fulfilling reasonable individual requests for information or responding to officers or committees duly charged by the board.

4.3.3 Report immediately any actual or anticipated material noncompliance with a policy of the board, along with suggested modifications for the future.

4.4 Monitoring Executive Performance.

The purpose of monitoring is to determine the degree to which the mission is being accomplished and board policies are being fulfilled. Information that does not do this shall not be considered monitoring. Monitoring will be as automatic as possible, using a minimum of board time so that meetings can be used to affect the future rather than to review the past. A given policy may be monitored in one or more of three ways:

4.4.1 Direct board inspection: Discovery of compliance information by a board member, a committee or the board as a whole. This includes board inspection of documents activities, or circumstances that allows a "prudent person" test of policy compliance.

4.4.2 External report: Discovery of compliance information by a disinterested, external person or firm who is selected by and reports directly to the board. Such reports must assess executive performance only against legal requirements or policies of the board, with suggestions from the external party as to how the organization can improve itself.

4.4.3 Executive Director Reports: The executive director shall help the board determine what tracking data are possible to measure progress in achieving the mission and goals and conforming to board policies. Currently the board requests these regular monitoring reports, in addition to any specific reports requested in other sections of the BPM:

4.4.3.1 Monthly: Informal executive director reports on achievements, problems, and board notices.

4.4.3.2 Semi-Annually: (A) Expense and revenue against budget report with comparison to previous year; (B) Balance sheet; (C) Cash flow projections; (D) Membership statistics.

4.4.3.3 Annual: Within 60 days of the end of the fiscal year, with respect to that year: (A) End of year expense and revenue against budget; (B) Balance sheet; (C) Staff organization chart (or whenever major changes are made); (D) Other reports that the board may define in this BPM.

4.5 Annual Performance Review. A performance evaluation task force, comprising the board president, vice president, and one board member shall formally evaluate the executive director

annually, based on achievement of organizational goals and any other specific goals the board and executive director have agreed upon in advance, as well as the executive director's own written self-evaluation and invited comments from all board members after they have seen the self-evaluation. The president shall serve as chair of the task force. After meeting with the executive director, the task force will report on its review to the board, including recommendations on the executive director's compensation, which the Executive Committee or the board will then act upon.

During this process, the executive director and the board will agree on any specific, personal performance goals for the year ahead. These goals shall be documented in a letter to the executive director from the board president and will be a primary basis for determining the executive director's performance at the end of the next year.

4.6 Staff. The executive director is expected to oversee the activities of other staff and report as necessary to the board.

4.8 Executive Director Transitions. At any time, the president may appoint a transition task force to explore options and propose strategies and board policies related to succession and transition of the executive director and to facilitate any special needs of the outgoing and incoming executive director. The incumbent executive director shall give the board, if possible, a three-month notice of intent to leave that office. Any need for an acting or interim executive director will be considered and determined by the board. The board president is authorized, as soon as a vacancy or scheduled departure of the executive director is known, to appoint a search committee and committee chair. The search committee may include up to three people not on the board. The committee shall within 30 days recommend for board approval a position announcement, a recommendation on any search consultant, the appointment of a search secretary, and a budget for the search. The search committee shall present one or two qualified candidates to the full board for selection. A special task force appointed by the president shall, at the time of selection, negotiate the new executive director's compensation and service agreement and give both the incumbent and successor executive director any special performance priorities from the board. After he/she leaves the organization the outgoing executive director may be given a paid role, but only with the approval of the new executive director in consultation with the officers.

4.9 Accessing Board Documents. The executive director shall develop and maintain a system so all key board documents such as the articles of incorporation, bylaws, meeting minutes, financial reports and other historical documents can be accessed at any time by any board member in the board's only section of the website. The executive director shall notify board members as key new information is posted to the board website.

Part 5 – Organizational Finance

5.1 Fiscal year. The organization's fiscal year will be the calendar year.

5.2 Financial Management. Financial resources of the organization are the responsibility of the board. The board will:

5.2.1 Provide a clear plan for acquisition of resources to pay for programs and services

5.2.2 Provide guidelines for management and allocation of financial resources

5.2.3 Monitor and evaluate the financial plans and guidelines to ensure the financial integrity of the organization.

5.3 Budgeting. An annual operating budget will be prepared by the vice president with the assistance of the executive director and presented to the board for approval prior to the beginning of the next year. The budget will be viewed by the board as their financial plan and approval of the budget by the board will be authority for the executive director to manage the organization's finances according to the plan without seeking further approval.

5.4 Working Capital Reserves. A working reserve fund sufficient to keep the organization operating for at least a year will be maintained.

5.5 Signing Checks. Authorized signatures for all general fund accounts for disbursements over Five thousand dollars (\$5,000) must include two of the following signatures: the president, the vice president, the executive director. It is the responsibility of the executive director to ensure that signatures can be gained from appropriate signatories so that payment can be made on the organization's obligations. It is the responsibility of all check signers to ensure that there is adequate documentation for valid payment of checks they sign.

5.3 Executive Parameters. The executive director must ensure that the proper care is exercised in the receiving, processing, and disbursing of funds; and that financial and non-financial assets are appropriately protected.

5.3.1 Receive, process, or disburse funds under controls sufficient to meet the board-appointed standards.

5.3.2 Approve an unbudgeted expenditure or commitment of greater than \$5,000.00 without approval of the full board.

5.3.3 Approve an unbudgeted expenditure or commitment of \$5,000 without approval of the Finance Committee.

5.4 Asset Protection. The executive director may not allow assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the executive director may not:

5.3.1 Fail to insure against theft and casualty losses to at least 80 percent replacement value and against liability losses to board members, staff, or the organization itself beyond the minimally acceptable prudent level.

5.3.2 Allow non-bonded personnel access to material amounts of funds.

5.3.3 Subject office and equipment to improper wear and tear or insufficient maintenance.

5.3.4 Unnecessarily expose the organization, its board, or staff to claims of liability.

5.3.5 Make any major purchase of over \$5,000.00 without sealed bids or other demonstrably prudent acquisition of quality goods, or any purchase of over \$5,000.00 without written record of competitive prices, or any purchase wherein normally prudent protection has not been given against conflict of interest.

5.3.6 Acquire, encumber, or dispose of real property without board approval.

5.4 Investment Practices. Funds not required for current operations will be invested according to an investment plan approved and revised annually by the board. (See Addendum E – still in process) The vice president will develop an investment plan for board adoption. The vice president will present reports to the board at least quarterly which shows the status of all investments, including the rate of return and current value.

Part 6. Advancement Parameters

The various efforts to represent the organization to the public (media, public relations, fundraising, new member recruitment, etc.) shall be integrated sufficiently so that the organizations brand/positioning in the external world is positive and effective.

6.1 Fund Raising Strategy. The executive director shall work with the Financial and Marketing Committee to develop and maintain a fundraising plan which may include direct mail, major donor initiatives, planned giving, and web-based giving. Such plan shall be provided to board members for review and approval of any budgeting needs.

6.2 Donor Bill of Rights. The executive director may not allow the names of donors to be revealed outside the organization; represent to a donor that an action will be taken that violates board policies; fail to honor an enforceable restriction from a donor; or fail to confirm receipt of a donor's contribution and send him/her an annual summary of donations.

The executive director shall also ensure that we attempt to honor donors' requests and statements of desire as to how their donations are used so long as applicable circumstances allow, provided that those donors are adequately informed that their requests and statements of desire do not constitute binding obligations on the organization, and that the organization retains ultimate discretion and control over use of their donations.

6.3 Training. The executive director shall ensure that appropriate members of the board and staff receive annual training in any new fundraising techniques and shall budget for such expenses.

6.4 Public Affairs. The executive director shall exercise care in representing that we are a 501(c)6 nonprofit trade association, mission-centered, listening organization and develop policies and procedures for communicating with primary stakeholders and the public at large in a way that reinforces the association's image.

6.5 Communications Plan. The executive director shall develop and maintain a communications plan, shared with the board as appropriate, that describes how the organization

will communicate with its various stakeholders. The plan shall identify the stakeholder segments, how the organization will both speak and listen to each segment, and who is allowed to speak for the organization.

6.6 Communications Restrictions. To preserve our image in the community, the executive director and any designee are the only spokespersons authorized to speak for the organization and the president the only spokesperson for the board. None of the spokespersons may represent the organization in any way inconsistent with the policies in Part 2 of this BPM; make statements that may be perceived as supporting a political party or platform; author an article, book, or publication that includes classified or sensitive information about the organization; enter into any agreement with any other organizations; or engage in lobbying activities at any governmental level without prior permission from the board.

Part 7. Financial Reports, Audits and Compliance

The executive director shall take the necessary steps to ensure that the integrity of our systems and procedures comply with all pertinent legal, regulatory, and professional requirements and to report to the board any material variations or violations.

7.1 Financial Reports. Reports reflecting the financial condition of the organization will be provided to the board quarterly and will include a comparison to the previous year and discussion of comparison to the budget.

7.1 Annual Review or Compilation. An annual review or compilation will be conducted by an independent accountant appointed by the board. The scope of those reviews will be determined from time to time by the board.

7.2 Internal Compliance. The executive director shall meet all requirements for complying with federal, state, or local laws and regulations. The executive director shall maintain a list of compliance actions and reports that are required of a nonprofit organization, or recommended by the IRS as reflected in questions contained in the Form 990 report, and periodically review the list with the vice president.

Part 8. Miscellaneous

8.1 Board Compensation. Board members will not be compensated for service on this board.

8.2 Travel Expenses. Board members are responsible for all travel expenses related to attendance at board meetings.

8.3 Reimbursement of Expenses. Board members may be reimbursed only for out-of-pocket expenses or travel expenses actually incurred and given prior authorization by a vote of the board for representing the organization at specific events. No expenses will be reimbursed for non-business related travel or extension of stay beyond the completion of the organization's business.

8.4 Affiliations or Partnerships. It is important that the organization affiliate or partner with other organizations such as national associations. The board will annually review all partnerships to assess effectiveness and any related costs of the affiliations.

BPM Addendums (Board documents referenced in this BPM) are:

- A - 3.3 Board Profile
- B - 3.9 Confidentiality Acknowledgement
- C - 3.9 Conflict of Interest Policy
- D - 3.9 Awareness Document

Any questions about this Board Policies Manual should be directed to the executive director, who updates the BPM immediately following each board meeting and distributes it to all who should have it.

Addendum A

American Knife & Tool Institute Board ProfilePurpose

The Board is legally responsible for all activities of the organization. The Board has responsibility for setting policy, approving and monitoring the organization's budget, and determining the nonprofit's goals and strategic direction.

Minimum requirements/qualifications

- A demonstrated understanding and agreement with the organization's mission and goals.
- Specific experience and/or knowledge in administration, finance, personnel, program development, public relations, fundraising, legal, legislation or communications that would complement the attributes of current board members.
- Senior level authority to make decisions on behalf of their member company in organization deliberations.
- Behavior that indicates commitment to high ethical standards.
- The ability to work well with others and to show respect for the ideas and views of fellow board members.

Expectations

- To function as a team member in the best interests of the organization.
- Attend no less than 75% of the board meetings annually; provide proxy if unable to attend or designate a representative.
- Be responsible for any expenses related to attendance at meetings.
- Actively promote the organization and solicit new members.
- Be proactive in fundraising efforts.
- Actively serve on or chair at least one committee.

Key Responsibilities

- Set policy: Ensures that the nonprofit meets legal requirements for the conduct of nonprofit business and affairs. Responsible for adopting bylaws and ensuring that the board and organization operate within their limits. Approves policies that determine the purpose, direction, programs and activities, and actions of the nonprofit
- Plan and evaluate: Evaluate and review the nonprofit's operations and performance. Think long-term and plan strategically for the nonprofit's future
- Human resources: The board supervises, employs and evaluates one individual – the executive director. The board approves personnel policies. Board members participate in the recruitment, selection, and education of board members.
- Finance: Approve and monitor the nonprofit's finances. Approve a budget that helps the nonprofit fulfill its mission. Ensure that sufficient funds are available for the organization to deliver services. Authorizes and approves the annual audit. Approve contracts.

Addendum B

Confidentiality Acknowledgement

Applicable to: AKTI Board of Regents, Advisory Members, members of any committee and others who have access to information entrusted to or maintained by AKTI.

Definitions:

Information entrusted to or maintained by AKTI Any piece of information either provided to the AKTI regarding any person or business, or created as a result of an AKTI activity, regardless of the form of that data - digital or hard copy.

The American Knife & Tool Institute is entrusted with or maintains information about its current, former and prospective members, contractors, affiliates and advocacy partners, as well as information concerning AKTI's legislative activities and other nonprofit programs. A subset of that information is considered confidential or sensitive, either protected by law, contract and/or non-disclosure agreements, or where its exposure could result in the AKTI incurring financial, reputational, or strategic loss.

To properly safeguard such information, AKTI policy restricts information access to those having a legitimate need, and requires all who have access to such information acknowledge that:

- Information entrusted to or maintained by AKTI will be accessed for legitimate AKTI business reasons only and on an as-needed basis.
- Information entrusted to or maintained by AKTI will not be disclosed to any individual, group, organization, and/or office beyond the boundaries of the "need to know" in order to accomplish legitimate AKTI business.
- A deliberate breach of the above stated confidentiality requirements would be considered a serious infraction of AKTI rules.

Therefore, before having been given access to such AKTI information, each individual must sign and date the following confidentiality statement:

- *I understand that my access to confidential or sensitive information entrusted to or maintained by AKTI is approved solely in conjunction with my role in the organization and not for any other reason, particularly not for my personal benefit or for the benefit of others.*
- *I agree that I will take appropriate measures to preserve the confidentiality of this information and not divulge the contents of this information (including any record, report, legislative strategy or proposed legislative effort) to any person except in the performance of my role on any committee or volunteering for the AKTI.*
- *I agree not to share my password(s) with any other person and that I am responsible for any activity carried out under my name.*
- *I understand that if I do not comply, I will be subject to reprimand up to and including termination of involvement and/or membership..*

Signed: _____

Date: _____

Print your name: _____

Addendum C

The attached Conflict of Interest Policy was adopted
by unanimous vote of the Board of Regents
at a meeting held on February 5, 2008

I have received a copy of the adopted Conflict of Interest Policy for the
American Knife & Tool Institute Inc.,
have read and understand and will comply with the policy.
I understand that the Organization is a nonprofit 501 c 6 association
and in order to maintain the federal tax exemption it must engage primarily in activities which
accomplish one or more of its tax-exempt purposes.

Signature Director / Officer

Printed Name

Printed Company Name

Date

THE AMERICAN KNIFE & TOOL INSTITUTE, INC.
Conflict of Interest Policy

Article I
Purpose

The purpose of the conflict of interest policy is to protect The American Knife & Tool Institute's (the "Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Article II
Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b.** A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III
Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a.** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V **Compensation**

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI **Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy,
- b.** Has read and understands the policy,
- c.** Has agreed to comply with the policy, and
- d.** Understands the Organization is a nonprofit 501 c 6 trade association and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII **Periodic Reviews**

To ensure the Organization operates in a manner consistent with nonprofit 501 c 6 trade association purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a.** Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b.** Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further nonprofit 501 c 6 trade association purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Addendum D

(Date – to be signed yearly)

This document attests to my awareness of certain U. S. federal laws, which govern specific personal and business practices relating to current antitrust regulations. I understand that antitrust laws prohibit a number of unreasonable restraints of trade, which include but are not limited to: Horizontal Agreements with other competitors relating to price fixing, payment terms, or collusion of other monetary activities; Boycotts among competitors to not deal with certain businesses; Market Divisions relating to restricting sales territories or implementing product allocations; Agreements to Restrict Advertising by businesses of important information; Restraints of Other Business Practices; or a Limiting Code of Ethics which may restrict the selling of certain products. I further attest that I am not currently and knowingly participating in, and will not knowingly in the future participate in, any actions in association with the American Knife and Tool Institute, Inc. (AKTI) that violate the antitrust laws.

Signature_____

Name_____

Company_____

Date_____

Witness by:
AKTI Officer_____