SOUTH CAROLINA PHARMACY ASSOCIATION

GOVERNING POLICIES OF THE BOARD OF DIRECTORS

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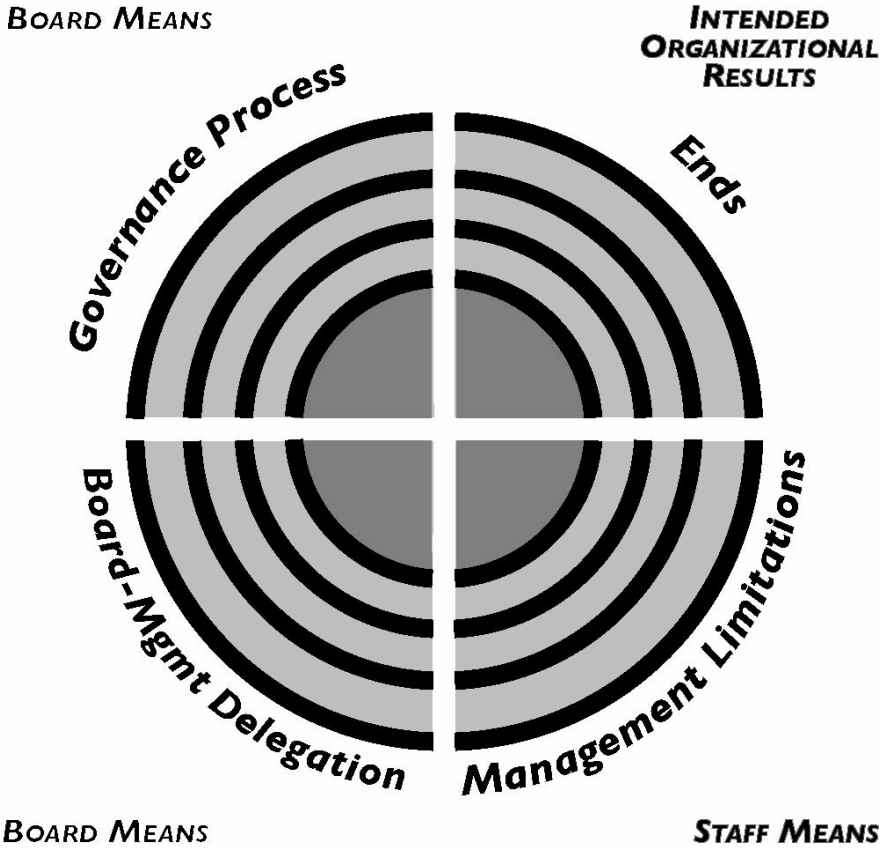


SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICIES OF
THE BOARD OF DIRECTORS

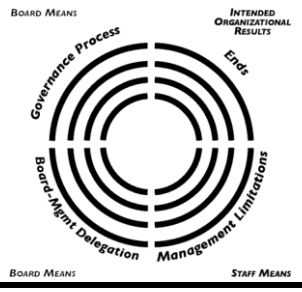


TABLE OF CONTENTS

Category I: Ends

Policy 1.0 Global Ends/Mission Statement
1.1 Pharmacists are Recognized and Respected
1.2 Members have Knowledge and Resources
1.3 Legislation is Favorable
1.4 Members Receive Exclusive Benefits/Discounts
1.5 Advancement of the Profession

Category II: Management Limitations

Policy 2.0 General Executive Constraint
2.1 Interaction with Members
2.2 Interaction with Staff
2.3 Financial Condition & Activities
2.4 Asset Protection
2.5 Financial Planning & Budgeting
2.6 Compensation & Benefits
2.7 Emergency Executive Succession
2.8 Board Awareness & Support

Category III: Board–Management Delegation

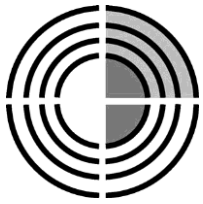
Policy 3.0 Governance–Management Connection
3.1 Unity of Control
3.2 Accountability of the CEO
3.3 Delegation to the CEO
3.4 Monitoring CEO Performance
3.5 Review Process of the CEO

Category IV: Governance Process

Policy 4.0 Governance Commitment
4.1 Governing Style& Values
4.2 Board Job Products
4.3 Agenda Planning
4.4 House of Delegates
4.5 President/Board Chair's Role
4.6 Boards Members' Code of Conduct
4.7 Board Members' Individual Responsibilities
4.8 Board Committee Principles
4.9 Board Committee Structure
4.10 Governance Investment

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 1.0 – ENDS



Ends

1.0 Global Ends Statement: SCPhA exists for

The Advancement of the Practice and Profession of Pharmacy in South Carolina

(with results providing high return on members' investments)

Highest Priority Results (not reflecting any order of priority)

1.1 Pharmacists are recognized and respected for their role in improving health outcomes as an integral member of the healthcare team.

A. Pharmacists are recognized, respected, and compensated as healthcare providers.

B. Health care reform must include pharmacists and the services they provide

1.2 SCPhA members are equipped with the knowledge and resources necessary for sustainable success in the pharmacy profession.

A. Knowledge Priorities:

i. SCPhA members are knowledgeable about industry issues and trends, *including but not limited to:*

a. SCPhA members will be aware of relevant legislation and its impacts on the profession.

b. SCPhA members will be knowledgeable about opportunities for reimbursement for cognitive services.

ii. SCPhA members are able to meet requirements for licensure and/or certifications.

B. Resource Priorities:

i. SCPhA members will have opportunities for professional growth and development.

ii. SCPhA members will engage in networking opportunities in all practice settings.

iii. SCPhA members will engage in the mentoring of future pharmacists.

(Other priorities, in order…)

1.3 SCPhA proactively advocates for the legislative and regulatory interests of pharmacists and the pharmacy profession.

1.4 SCPhA members receive exclusive and valuable benefits and discounts.

A. Members receive exclusive discounts on all SCPhA programs and services.

B. Affinity partnerships bring additional resources and benefits to members

1.5 SCPhA members participate in the advancement of the profession.

A. SCPhA members engage in professional service to the community.

B. There is growth in SCPhA member participation and support of the South Carolina Pharmacy Foundation.

C. SCPhA members engage in advocacy for the pharmacy profession.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.0 – GENERAL EXECUTIVE CONSTRAINT

Management Limitations

The CEO will not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business ethics and practices.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.1 – INTERACTIONS WITH MEMBERS

Management Limitations

With respect to interactions with members *(or those applying to be members)* and stakeholders, the CEO will not cause or allow conditions or procedures that are unfair, unsafe, untimely, unresponsive, undignified or unnecessarily intrusive.

Pertaining to members, the CEO will not:

1. Operate without processing and approving membership applications in accordance with provisions in the Bylaws.
2. Collect, review, transmit, store or destroy member/applicant information in a manner that fails to protect against improper access to that information.
3. Operate without communicating to members a clear understanding of what may be expected from the services offered.
4. Operate without informing members, as appropriate, of this policy, and without providing a complaint response process that constructively addresses concerns raised by members.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.2 – INTERACTIONS WITH STAFF

Management Limitations

With respect to the interactions with volunteers and employees, the CEO will not cause or allow conditions that are unfair, unsafe or undignified.

Pertaining to employees, the CEO will not:

1. Operate without ensuring employees are provided with written personnel policies, approved by legal counsel, which clarify personnel rules for employees, provide for effective handling of grievances, and protect against wrongful conditions.
   A. Staff may not be uninformed of this *Interactions with Staff* policy, and the CEO's interpretations of their protections under this policy.
2. Allow staff to be unaware of these governing policies.
3. Retaliate or allow retaliation against an employee for non-disruptive, internal expression of dissent, or for reporting to management or to the Board of Directors (per the process for handling of grievances in the personnel policies) acts or omissions by SCPhA personnel, management or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Board.
   A. Staff may not be prevented from grieving to the Board when (a) internal grievance procedures have been exhausted *and* (b) the employee alleges that Board policy has been violated.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.3 – FINANCIAL CONDITION & ACTIVITIES

Management Limitations

With respect to financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Ends priorities.

The CEO will not:

1. Expend more funds than have been received in the fiscal year to date, unless the liquidity and long-term reserve requirements below are met:
   A. The CEO will not allow cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 75-day period.
   B. The CEO will not borrow from reserves (defined as accumulated excess revenues) in an amount greater than can be replenished by certain and otherwise unencumbered revenues within 75 days.
   C. The CEO will not borrow funds or incur debt (with exception of credit cards used for normal business purposes, and paid in full each month).
2. Use Board-designated long-term reserves.
3. Use restricted funds for purposes other than those designated.
4. Operate without settling payroll obligations and payables in a timely manner.
5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
6. Execute a check or purchase commitment of greater than $10,000, unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
7. Acquire, encumber, lease or dispose of real estate.
8. Accept revenues from sources not, in fact and appearance, consistent with the mission and values of the SCPhA.
9. Operate without pursuing material receivables after a reasonable grace period.
10. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.4 – ASSET PROTECTION

Management Limitations

The CEO will not cause or allow SCPhA assets to be unprotected, inadequately maintained or unnecessarily risked.

The CEO will not:

1. Allow the organization to be uninsured:
   A. Against theft and casualty losses to at least replacement value; and
   B. Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations.
   C. Against employee theft and dishonesty.
2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
3. Operate without employing risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.
4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.
5. Allow a purchase of $2,000 or more without having obtained comparative prices and quality.
6. Allow intellectual property, information and files to be exposed to loss, improper access or significant damage, or operate without maintaining documents and records in accordance with a Records Retention Schedule approved by legal counsel.
7. Receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor's standards (as set forth in Management Letter and/or other correspondence).
8. Compromise the independence of the Board's auditor or other external monitors or advisors. Engaging parties already chosen by the Board as consultants or advisors is not permitted.
9. Invest or hold operating capital in insecure instruments or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
10. Endanger the organization's public image, its credibility, or its ability to accomplish Ends.
11. Change the organization's name or substantially alter its identity.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.5 – FINANCIAL PLANNING & BUDGETING

Management Limitations

Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Accordingly, the CEO will not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the "Financial Conditions and Activities" Board policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

   Disclosures must include:

   A. A summary P/L breakdown for each major program area.

   B. Planning assumptions for dues, assessments and other charges.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received without prior permission from the Board of Directors.
4. Fails to allocate at least 2% of gross cash revenues to reserves, until reserves reach a threshold of 50% of annual operating expenses.
5. Provides less for Board activities during the year than is set forth in the *Governance Investment* policy.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.6 – COMPENSATION & BENEFITS

Management Limitations

The CEO will not cause or allow jeopardy to SCPhA's fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants or contractors.

The CEO will not:

1. Change his or her own compensation.
2. Change his or her own benefits, except as consistent with a package for all other employees.
3. Promise or imply anything other than "at-will" employment.
4. Establish current compensation and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
5. Pertaining to consultants and contract vendors, create obligations over a longer term than revenues can be safely projected, in no event longer than one year.
6. Establish or change retirement benefits so as to cause situations that are unpredictable for the SCPhA, or inequitable for employees.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.7 – EMERGENCY EXECUTIVE SUCCESSION

Management Limitations

In order to protect the Board from sudden loss of CEO services, the CEO may not operate without at least one other member of the management team sufficiently familiar with Board and CEO issues and processes to take over with reasonable proficiency as an interim successor.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 2.8 – BOARD AWARENESS & SUPPORT

Management Limitations

The CEO will not cause or allow the Board to be uninformed or unsupported in its work.

The CEO will not:

1. Withhold, impede or confound information necessary for the Board's informed accomplishment of its job.
   A. The CEO will not neglect to submit monitoring reports (including CEO interpretations of board policies being monitored, as well as relevant data) required by the Board (see "Monitoring CEO Performance" policy in *Board-Management Delegation*) in a timely, accurate and understandable fashion.
   B. The CEO will not allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Management Limitations policy, regardless of the Board's monitoring schedule.
   C. The CEO will not let the Board be without decision information it periodically requests, or unaware of relevant trends or incidental information, including but not limited to anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal/organizational changes. Notification of planned internal changes is to be provided in advance, when feasible.
   D. The CEO will not fail to inform the Board if, in his/her opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the work relationship between the Board and the CEO.
   E. The CEO will not present information in unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types:
      i. monitoring
      ii. decision preparation (or "action item"); and
      iii. incidental/ "FYI."
2. Allow the Board and the House of Delegates to be without logistical and administrative support:
   A. The CEO will not allow the Board and House of Delegates to be without workable, user-friendly mechanisms for official Board, officer or committee communications and functions.
   B. The CEO will not let the Board or House of Delegates be without pleasant and efficient arrangements for Board and committee meetings.
3. Impede the Board's holism, misrepresent its processes and role, or impede its lawful obligations.
   A. The CEO will not deal with the Board in a way that favors or privileges certain board members over others except when:
      i. fulfilling individual requests for information, or
      ii. responding to officers or committees with respect to duties charged to them by the Board.
   B. The CEO will not neglect to submit for the Board's Consent Agenda ("Required

Approvals" Agenda") items delegated to the CEO yet required by law, Bylaws or third-party to be Board-approved, along with applicable monitoring information.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 3.0 – GOVERNANCE – MANAGEMENT CONNECTION

Board-Management Delegation

The Board's sole official connection to the operational organization, its achievements and conduct will be through a chief executive officer (CEO).

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 3.1 – UNITY OF CONTROL

Board-Management Delegation

Only officially passed motions of the Board are binding on the CEO.

Accordingly:

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except in rare instances in which the Board has explicitly delegated such exercise of authority.
2. If Board members or committees request information or assistance without Board authorization, the CEO can refuse such requests that, in his/her opinion, require an inappropriate amount of staff time or funds or are disruptive. The committee or Board member may then refer such requests to the full Board for consideration.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 3.2 – ACCOUNTABILITY OF THE CEO

Board-Management Delegation

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.

Accordingly:

1. The Board will not give instructions to persons who report directly or indirectly to the CEO.
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will view CEO performance as identical to organizational performance, as evidenced through submission of consistently compliant internal monitoring reports by the CEO to the board.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 3.3 – DELEGATION TO THE CEO

Board-Management Delegation

The Board will direct the CEO through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The Board will develop and maintain *Ends* policies instructing the CEO to achieve certain results for the membership at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends issues as defined here are Means issues.
2. The Board will develop and maintain *Management Limitations* policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. These policies will be developed systematically from the broadest, most general level to more defined levels. The Board will not prescribe organizational means delegated to the CEO.
3. An Ends or Management Limitations policy at a given level does not limit the scope of any preceding level.
4. As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Management Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
5. The Board may change its Ends and Management Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support decisions made by the CEO, as long as they are compliant with Board policy, as reasonably interpreted.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 3.4 – MONITORING CEO PERFORMANCE

Board-Management Delegation

The Board will systematically and rigorously monitor CEO job performance to determine the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Limitations policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not address policy compliance will not be considered in the evaluation of CEO performance.
2. The Board will acquire monitoring data by one or more of three methods:
   A. by internal report, in which the CEO discloses, in writing, policy interpretations and compliance information to the Board. As appropriate in a given context, the CEO may present information to justify the "reasonableness" of his/her interpretation.
   B. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, as reasonably interpreted by the CEO, or
   C. by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria, as reasonably interpreted by the CEO.
3. In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the Board policy being monitored. The Board is the final judge of reasonableness, and will always judge with a "reasonable person" test (whether what the CEO did was what a reasonably prudent executive would do in that context), even if those choices may not be the choices the Board or its members may have made.
4. In every case, the Board will judge whether (a) the CEO's interpretation is reasonable, and (b) whether data demonstrate accomplishment of or compliance with the CEO's interpretation.
5. Actions determined to be not compliant with a reasonable interpretation of Board policies will be subject to a remedial process agreed to by the Board.
6. This will occur on an annual basis to be completed by the end of the board cycle. The executive compensation committee shall present recommendations to the board for changes in compensation by the end of the board cycle, to be effective no later than August 1st.

7. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule.

POLICY	**METHOD**	**FREQUENCY**	**SCHEDULE** (Board Meeting Packet)
ENDS POLICIES			
1.0Global Ends/Mission Statement	Internal	Annually	April
1.1 Pharmacists are Recognized and Respected	Internal	Annually	April
1.2 Members Have Knowledge and Resources	Internal	Annually	April
1.3 Legislation is Favorable	Internal	Annually	April
1.4 Members Receive Exclusive Benefits/Discounts	Internal	Annually	April
1.5 Advancement of the Profession	Internal	Annually	April
MANAGEMENT LIMITATIONS POLICIES			
2.0 General Executive Constraint	Internal	Annually	October
2.1 Interactions with Members	Internal	Annually	October
2.2 Interactions with Staff	Internal	Annually	October
2.3 Financial Condition & Activities	Internal	Bi-Monthly	Even # months.
	Direct Insp.	TBD	
	External	Annually	(Audit presented to Board in April)
2.4 Asset Protection	Internal	Annually	December
2.5 Financial Planning/Budgeting	Internal	Semi-Annually	December/June
2.6 Compensation and Benefits	Internal	Annually	December
2.7 Emergency Executive Succession	Internal	Annually	December
2.8 Board Awareness & Support	Internal	Annually	December

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 3.5 – REVIEW PROCESS OF THE CEO

Board-Management Delegation

It is the duty and the responsibility of the SCPhA Board of Directors to evaluate its Chief Executive Officer in his/her job performance and provide them with directives and goals for the future. This is an important process designed to assure the membership that SCPhA will continue to function as a member-driven organization. A formal evaluation utilizing the tools and timeline set forth below, will be completed as often as the CEO's employment contract dictates. Board of Directors will look to its Executive Committee to complete the formal evaluation process and bring the results to the Board for their review and appropriate action.

EXECUTIVE COMMITTEE MEMBERS

Committee Chair:	President
Committee Members:	President Elect
	Treasurer
	Immediate Past President

As Executive Committee chair, it is the sole responsibility of the President to ensure that the formal review process is completed in its entirety.

EVALUATION TOOLS

Four forms are used for the Chief Executive Officer performance appraisal process:

1. Chief Executive Officer Self-Evaluation – Given to the Chief Executive Officer by the committee chair for their completion.
2. Chief Executive Officer Evaluation Form – Given to all Board of Directors members to complete.
3. Chief Executive Officer Evaluation Summary – Results from the Board of Directors' compiled evaluations are entered on this form. It is identical to the *Chief Executive Officer Evaluation Form* but adds a line for the signature of the Chief Executive Officer at the completion of their formal face-to-face review.
4. Chief Executive Officer Evaluation Directives – This is a tool used to communicate the committee's performance goal directives to the Chief Executive Officer along with an implementation plan designed for Chief Executive Officer completion of said goals. It includes written deadlines and a process by which to follow success/failure to achieve said goals.

The formal evaluation of the CEO shall be started no later than 180 days ahead of the expiration of the current employment contract, and concluded no later than 150 days ahead of the expiration of the current employment contract.

The formal evaluation of the CEO will reflect the annual monitoring as completed in Policy 3.4. The CEO will be required to complete a self-evaluation. The results will be reviewed by the Executive Committee to be presented to the full board for discussion and guidance for contract renewal or negotiation. The Executive Committee will review the results of the evaluation with the CEO.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.0 – GOVERNANCE COMMITMENT

Governance Process

The purpose of the Board, on behalf of the Membership, is to ensure that the South Carolina Pharmacy Association (1) achieves appropriate results for the Membership at an appropriate cost (as specified in Board Ends policies), *and* (2) avoids unacceptable actions and situations.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.1 – GOVERNING STYLE & VALUES

Governance Process

The Board will govern lawfully, observing Policy Governance principles, with an emphasis on (a) integrity and truthfulness in all of its activities and practices, (b) outward vision rather than internal preoccupation, (c) encouragement of diversity in viewpoints, (d) strategic leadership more than administrative detail, (e) clear distinction of Board and chief executive roles, (f) collective rather than individual decisions, (g) future rather than past or present, and (h) governing proactively rather than reactively.

Accordingly:

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the primary initiator of governing policy.
2. The Board may use the expertise of individual members to enhance the Board's understanding of issues, but will not substitute such expertise for the judgment of the Board.
3. The Board will direct, control and inspire the Association through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major focus will be on the achievement of intended long-term impacts on and for the Membership, not on the administrative or programmatic means of attaining those effects.
4. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, adherence to board standards of conduct, and ensuring the continual development of governance capability.
   A. Continual Board development will include periodic discussion of process improvement, and orientation of new Board members, within 60 days of their appointment, in the Board's governance process and these policies.
5. Although the Board can change its governing policies at any time, it will conscientiously observe those currently in effect.
6. All policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.
7. The Board will allow no officer, individual or Board Committee to prevent the Board from fulfilling its duties and commitments.
8. The Board will monitor and assess its process and performance. Self-evaluation will include a thoughtful review of Board activities, including oversight and accountability responsibilities, in relation to the standards outlined in the governance process.
9. SCPhA Board of Directors meetings are open to all active/voting members of SCPhA. The Board shall retain the right to deem certain agenda items closed (e.g. personnel or other matters of a sensitive nature). The meeting date, time and place should be published in advance in a public member location.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.2 – BOARD JOB PRODUCTS

Governance Process

On behalf of the membership, the Board of Directors assumes direct responsibility for defining and ensuring appropriate organizational performance:

1. The Board will be the conduit linking the membership's interests to operational performance.
   A. Needs Assessment: The Board will assess the needs of the membership as they relate to the Association's activities and scope of influence, and will develop Ends policies identifying and prioritizing intended organizational outcomes to address those needs. The House of Delegates will be a primary component of this "linkage."
   B. Advocacy: The Board will inform the membership of the Association's accomplishments on its behalf, and of expected future results.
2. The Board will develop and maintain written governing policies that realistically address the broadest levels of all organizational decisions and situations:
   A. ENDS: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what relative worth/cost/priority).
   B. MANAGEMENT LIMITATIONS: Constraints on executive authority that establish the prudence and ethical boundaries within which all executive activity and decisions must take place.
   C. GOVERNANCE PROCESS: Specification of how the Board conceives, carries out and monitors its own task.
   D. BOARD/MANAGEMENT DELEGATION: How authority is delegated, and its proper use monitored: the CEO's role, authority and accountability.
3. The Board will ensure successful CEO performance on Ends and Management Limitations.
4. The Board will establish the public policy positions/statements of SCPhA.
5. The Board will make determinations regarding the dues for membership in SCPhA.
6. The Board shall appoint delegates and alternate delegates to the American Pharmacists Association as well as delegates to the National Community Pharmacists Association (*at August meeting, unless needed earlier by APhA and NCPA).*
7. The Board will refer to the House of Delegates:
   A. Recommendations and decision-making regarding changes to the Constitution and Bylaws of SCPhA.
   B. All decisions regarding a proposed expulsion from membership in SCPhA, in accordance with procedures set forth in the Bylaws.
8. The Board will determine the categories for SCPhA's annual awards. The Awards Committee solicits nominations and recommends awardees to the board for confirmation, unless the award is designated to be selected and presented directly by the Board itself.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.3 – AGENDA PLANNING

Governance Process

To fulfill its role, the Board will prepare and follow an annual work plan that (1) completes a re-exploration of Ends policies each year and (2) continually improves Board performance through Board education, enriched input and deliberation.
Accordingly:

1. The Board's annual planning cycle will conclude each year on the last day of June so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.
2. The cycle will start in July with the Board's development of its work plan for the next year.
   A. Consultations with selected groups in the membership, or other methods of gaining membership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
   B. Board education related to Ends issues (e.g. presentations by advocacy groups, staff, industry leaders, etc.), and education about governance and operational issues, will be determined and arranged in the first quarter, to be held during the balance of the year.
   C. The President will, at the commencement of the Board's annual planning cycle, prepare and present for the Board's consideration a tentative work plan for the following year's meetings.
3. The President will determine the agenda for any particular meeting, although Board members and the CEO may request or recommend any appropriate matters for Board consideration.
   A. A Board member or the CEO may recommend or request a matter for Board discussion by submitting the item to the President at least seven (7) days prior to the regularly scheduled Board meeting.
   B. The meeting agenda and packet are to be received by Board members at least four (4) days prior to the scheduled Board meeting.
   C. By an affirmative vote of a majority of those present at a meeting, additional matters may be added to the agenda of any regular Board meeting.
4. The Board will attend to consent agenda (or "required approval") items (those items delegated to the CEO yet required by law or third party to be Board-approved) as expeditiously as possible.
5. At any meeting prior to which monitoring reports have been received, the board will determine by vote whether a majority of members judge each report to have demonstrated fulfillment of a reasonable interpretation of the applicable policy.
6. CEO remuneration (any changes to compensation beyond cost-of-living increase established in Employment Agreement) will be decided within no less than 90 days of the finalization of the budget to be effective January 1st, based on a summary/review of the Board's judgments of monitoring reports received during the last year.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.4 – HOUSE OF DELEGATES

Governance Process

As its "owner- representative", the Board will devote time and energy to considering the interests of SCPhA's membership, with the House of Delegates being a pivotal component of this "linkage."

1. The House of Delegates will maintain authority over:
   A. Amendments to the Association's Constitution and Bylaws.
   B. Decisions regarding expulsion of a member for improper professional conduct or violation of obligations under the Constitution and Bylaws of the Association.
2. The House of Delegates will also serve in an advisory role to the Board, providing policy input, particularly as the Board considers and develops SCPhA's Ends policies and public position statements.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.5 – PRESIDENT/BOARD CHAIR'S ROLE

Governance Process

The President/Board Chair, serving as SCPhA's chief governance officer (CGO), assures the integrity of the Board's process.

Accordingly:

1. The President/Board Chair is to see to it that the Board behaves consistently with its policies and those legitimately imposed upon it from outside the organization.
   A. Meeting discussion content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor.
   B. Information that is not for monitoring performance, board education or board decisions will be avoided or minimized and always noted as such.
   C. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The President/Board Chair is authorized to make decisions consistent with the Board's Governance Process and Board/Management Delegation policies, with the exception of (a) employment/termination of the CEO, or (b) instances where the Board specifically delegates portions of this authority to others. The President/Board Chair is authorized to use any reasonable interpretation of these policies.
   A. The President/Board Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
   B. The President/Board Chair has no authority to make decisions within the Board's Ends and Management Limitations policy areas. Therefore, the President/Board Chair has no authority to supervise or direct the CEO.
   C. The President/Board Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to her or him.
   D. The President/Board Chair may delegate this authority but remains accountable for its use.
   E. The President/Board Chair may appoint Board members to serve on Board Committees and as Chair of such committees, except where specified otherwise in Bylaws or Board policies.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.6 – BOARD MEMBERS' CODE OF CONDUCT

Governance Process

The Board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

1. Board members must demonstrate loyalty to the interests of the entire membership, unconflicted by loyalties to segments of the membership, staff, other organizations, or any personal interests as a consumer of SCPhA's services.
2. Board members are accountable for discharging their duties honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
3. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
   A. Board members will annually complete a form disclosing their involvements and interests that could give rise to a conflict of interest, including but not limited to roles as directors or officers of other organizations, substantial business/investment holdings, or other transactions or affiliations with businesses and other organizations or those of family members.
   B. 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.
   C. When the Board is to decide upon an issue about which a member has a conflict of interest, that member shall disclose the conflict to the Board and absent herself or himself without comment from not only the vote but also from the deliberation.
   D. Board members must not use their Board positions to obtain staff employment for themselves, family members or close associates. Should a Board member apply for staff employment, he or she must first resign from the Board.
4. Board members must not attempt to exercise individual authority over the organization.
   A. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.
   B. Board members' interaction with public, media or other entities must recognize this limitation and that Board members are not to speak for the CEO, or to speak for the Board except to repeat explicitly stated Board decisions.
   C. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policies, Board members will not publicly express individual judgments of performance of employees or the CEO.

5. A Board member aware of credible information that suggests that a Board policy has been violated, by either the Board or the CEO, has an affirmative obligation to bring the concern to the Board's agenda for monitoring.
6. Board members must respect confidentiality appropriate to issues of a sensitive nature.
7. Board members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.7 – BOARD MEMBERS' INDIVIDUAL RESPONSIBILITIES

Governance Process

The individual and collective participation of its members is integral to the leadership success of the Board.

Therefore, each Board member is expected to fulfill the following responsibilities:

1. Attendance — As effective deliberations and decision-making require collaboration and participation; Board members are expected to attend Board meetings. In-person attendance at all board meetings is the standard expectation. Attendance means being present and actively engaged for the full duration of the meeting unless prior approval is granted for an early departure. The board recognizes that extenuating circumstances (such as health issues or emergencies) may arise. Requests for exemptions will be reviewed on a case-by-case basis by the Executive Committee. Absence from more than two (2) of the Board's six (6) regularly scheduled meetings in any Board planning year will constitute that member's resignation from the Board.
   A. In case of extenuating circumstances, a Board member may request a waiver to this provision. These waivers may be granted only by vote of the Board.
   B. The Executive Committee may recommend removal of a board member, requiring a ⅔ majority of the full board to approve removal.
2. Preparation and Participation — Board members will review agenda materials in advance of Board and committee deliberations and will participate productively in discussions.
3. Members as Individuals — The CEO is accountable only to the Board as a whole, and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the President, is collegial, not hierarchical.
4. Voluntarism — As the CEO is responsible for operational activities and results, members of the Board choosing, as individuals, to volunteer for operational committees or other operational functions are subject to the direct supervision of the CEO or responsible staff person.
5. Participation in Organizational Activities —
   A. In addition to Board meetings, Board members are expected to attend the following events/functions:
      i. The Annual Meeting
      ii. House of Delegates meetings
      iii. Board of Directors Retreat(s) – as scheduled
   B. Board members are also encouraged to attend:
      i. Pharmacy Nights

ii. Other SCPhA events/functions.

C. President is expected to attend the Southeastern Officers Conference as the Board representative
D. President-elect is expected to attend the National Alliance of State Pharmacy Association (NASPA) Leadership Conference as the Board representative.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.8 – BOARD COMMITTEE PRINCIPLES

Governance Process

Board committees, when used, have one essential role—to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from Board to the CEO, or from the CEO to other staff.

Accordingly:

1. Board committees may be established to help the Board do its job, not to help, advise or exercise authority over staff.
2. Board committees most commonly assist the Board by undertaking activities not delegated to the CEO, by preparing policy alternatives and implications for Board deliberation, or by performing specific monitoring functions.
3. Board committees may not speak or act for the Board except when formally given such authority for specific and/or time-limited purposes. The Board will carefully state its expectations and committee authority (in the "Board Committee Structure" policy) in order not to conflict with authority delegated to the CEO.
4. Because the CEO works for the full Board, he or she will not be expected to obtain approval of a Board committee before an executive action.
5. This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. This policy does not apply to committees formed under the authority of the CEO.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.9 – BOARD COMMITTEE STRUCTURE

Governance Process

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. Unless otherwise stated, a Board Committee will cease to exist when its task is complete. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a non-voting member of each committee. The President/Chairman of the Board will identify a chair, and vice-chair when appropriate and/or needed at the President's discretion, for each committee when not otherwise identified in the policies below.

1. **Leadership Development and Nominating Committee**

   A. **Product #1***:* Per the Bylaws, preparation of a slate of up to two (2) candidates for each open Region Director position, for presentation to the membership at the House of Delegates, prior to March 1 of each year.

   Product #2*:* Per the Bylaws, preparation of a slate of up to two (2) candidates for each open position (At-Large Director, Speaker-Elect, and President-Elect), for presentation to the membership at the House of Delegates, prior to March 1 of each year.

   Product #3: Per the bylaws, on even-years only, preparation of a slate of up to two (2) candidates for the Treasurer position, for presentation to the membership at the House of Delegates, prior to March 1 of each year.

   Product #4: Per the bylaws, preparation of a slate of candidates for each open Delegate position, for presentation to the membership at the House of Delegates, prior to March 1 of each year. The slate should include one candidate for each open position, plus at least one (1) additional candidate.

   B. Authority: To incur costs not to exceed the amount approved by the Board annually.

   C. Composition: *Chaired by the President-Elect. Also includes each Region Director (4) from the Board of Directors. Shall include additional members appointed by the President to be confirmed at the August Board of Directors meeting (may include non-Board members).*

2. **Audit Committee**

   A. **Product #1**: Confirmation of auditor's independence, and recommendation to Board for engagement of auditor — by no later than April of each year.

   Product #2: Annual specification of scope of audit, prior to outside audit, consistent with Board monitoring schedule (3.4), including approval of any permitted non-audit services to be provided by the independent auditor.

   Product #3: Assurance that the auditor has unfettered access to organizational management and records.

   Product #4: Review with the independent auditor of any problems encountered performing the audit, of the audited financial statements, and of any management

letter provided by the auditor.

Product #5: "Direct Inspection" (internal audit) monitoring of compliance with the Board's fiscal policies (Financial Condition, Asset Protection, Budget, Compensation and Benefits), as directed/scheduled by the Board per the "Monitoring CEO Performance" Policy (policy 3.4).

Product #6: Recommendations for Board consideration regarding revisions to the Board's fiscal policies.

B. Authority: To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs not to exceed the amount approved by the Board annually.

C. Composition: *Chaired by the Treasurer. Also includes the Immediate-Past President and President-Elect. Only current Board members may serve on this committee.*

3. **Legislative Affairs Committee**

A. **Product:** Options and implications for Board consideration regarding legislative effects to be pursued, or decisions regarding public positions.

B. Authority: To incur costs not to exceed the amount approved by the Board annually.

C. Composition: *The Immediate Past President serves as the Board liaison. The President shall appoint a Chair who has previously served on the Legislative Affairs Committee. Also includes the President/Board Chair and President-Elect. Shall include a minimum of seven (7) additional members, not currently serving on the Board, appointed by the President to be confirmed at the August Board of Directors meeting. If the Immediate Past President is unable to serve as the Board liaison, then the President shall appoint another Board member. The President may assign a vice-chair, who may serve as chair the following year. It would generally be expected that the immediate-past chair serves as a member on the committee in an advisory capacity.*

4. **Executive Committee**

A. **Product #1:** Conduct monitoring of CEO performance and propose any compensation recommendations according to Policies 3.4 and 3.5.

Product #2: Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding CEO compensation.

Product #3: Provide support and guidance for the CEO and President between Board meetings and in urgent circumstances.

5. **Constitution and Bylaws Committee**

A. **Product: #1:** Per Bylaws, upon receipt of proposal to amend Bylaws submitted with signatures of 15 active members, review of such proposal with recommendations to the Board of Directors.

Product: #2: Liaison between the Board of Directors and the House of Delegates – ensuring all proposals for Bylaws amendments, whether recommended by members or the Board of Directors, are shared with the House of Delegates, along with Board of Directors recommendations pertaining thereto.

B. Authority: To incur costs not to exceed the amount approved by the Board

annually.

C. Composition: *Chaired by the Speaker and includes the Speaker-Elect. Also includes two (2) members appointed by the President to be confirmed at the August Board of Directors meeting (may include non-board members).*

6. **Awards Committee**

A. **Product:** Recommendations presented for the Board's approval each year in April, for categories and recipients of SCPhA's annual awards.

B. Authority: To incur costs not to exceed the amount approved by the Board annually.

C. Composition: *A Chair shall be appointed by the President. Also includes the four (4) Regional Directors to ensure broad representation across the state. Additional members may be appointed as needed. Past award recipients may be invited to serve as committee members or advisors.*

7. **Board Governance Committee**

A. **Product #1:** Facilitate annual review by the Board of *The SCPhA Governing Policies of the Board of Directors*.

B. **Product #2:** Recommendations for Board consideration regarding revisions to the Board's governance policies.

C. Authority: To incur costs not to exceed the amount approved by the Board annually.

D. Composition: *Chair and two (2) members appointed by the President to be confirmed at the August Board of Directors meeting (may include members who have previously served on the Board).*

8. **Education Committee**

A. Product #1: Facilitate educational offerings for members of SCPhA.

B. Authority: To incur costs not to exceed the amount approved by the Board annually.

C. Composition: *A Chair shall be appointed by the President. Also includes one (1) additional Board member.*

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.10 – GOVERNANCE INVESTMENT

Governance Process

The Board will consciously invest in its ability to govern competently and wisely.

Accordingly:

1. Board skills, methods, and support will be sufficient to assure governing with excellence.
   A. Training and retraining will be used appropriately to orient new members and to maintain and increase existing Board member skills and knowledge.
   B. Outside monitoring assistance, including fiscal audit, will be arranged as needed so that the Board can exercise confident control over organizational performance.
   C. Outreach mechanisms will be used as needed to ensure the Board understands membership viewpoints and values.
2. Costs will be prudently incurred, but sufficient to ensure the development and maintenance of superior governance.
   A. Monies for Board training, including publications, as needed as determined annually by the Board.
   B. Monies each fiscal year for Board member travel/reimbursements (attendance at conferences, workshops, etc.), as needed as determined annually by the Board.
      i. Board's appointed delegates to APhA and NCPA will receive reimbursement up to two sessions (@$600 per session attended) of the House of Delegates as well as up to $600 of expense reimbursement for one alternate delegate.
      ii. Board members will be reimbursed for the full room rate of a double occupancy room at the headquarters hotel for one night for the Board of Directors Retreat. Junior Board members will be reimbursed no less than half the room rate of a double occupancy room at the headquarters hotel for one night for the Board of Directors Retreat.
      iii. President and President-Elect will receive reimbursement for all expenses to attend the Southeastern Officers Conference. If any of the above cannot attend, offer may be extended to others, as determined by the Board.
      iv. Board members will receive reduced registration to the SCPhA Annual Convention, Southeastern Pharmacy Leadership Conference, and Pharmacy Night events as the budget allows.
      v. Current President shall receive:
         a. $3000-line item in budget to be used as follows:

            Full registration costs to attend the following events: Southeastern Pharmacy Leadership Conference and Southeastern Pharmacy Officers Conference. Half the room rate for up to three nights at the

headquarters hotel for Southeastern Pharmacy Leadership Conference and the Southeastern Pharmacy Officers Conference along with half of the travel expenses will also be reimbursed. Food and Beverage will be at your own expense.

b. A three-night stay at host hotel for the SCPhA Annual Convention and an additional ticket to the Installation and Awards Banquet. Half of the travel expenses will be reimbursed.

vi. Incoming President shall receive:

a. $2500-line item in budget to be used as follows:

Full registration costs to attend the following events: Southeastern Pharmacy Leadership Conference, Southeastern Officer's Conference, and NASPA retreat. Half the room rate of a double occupancy room at the headquarters hotel for three nights along with half of your travel expenses (flight or mileage) will also be reimbursed. Food and Beverage will be at your own expense.

b. Half the room rate up to three nights and ½ the travel expenses will be reimbursed for the SCPhA Convention will be covered and an additional ticket to the Installation and Awards Banquet will be provided.

C. Monies each fiscal year for audit and other third-party monitoring of organizational performance, as needed as determined annually by the Board.

D. Monies for surveys, focus groups and opinion analyses, as needed as determined annually by the Board.

E. Monies for Board-hosted ownership linkage/outreach events, as needed as determined annually by the Board.

F. Monies each fiscal year for Board meeting and retreat costs, as needed as determined annually by the Board.

G. Monies each fiscal year for Board committee functions, as needed as determined annually by the Board.

3. The Board will establish its governance budget for the next fiscal year each year during the month of December.

SOUTH CAROLINA PHARMACY ASSOCIATION
GOVERNING POLICY OF
THE BOARD OF DIRECTORS

Policy 4.11 – Junior Board Members

Governance Process

The Board of Directors has established the Junior Board Member (JBM) program to offer pharmacy students the opportunity to learn about serving on a Board of Directors and being a leader in the profession.

Term: Junior Board Members serve a one-year term, beginning with the August board meeting and running through SCPhA's Annual Convention in June. A JBM may complete more than one term if selected.

Eligibility:

1. At a minimum, a JBM must:
    a. be a currently enrolled P2-P4 student at a pharmacy school in South Carolina
    b. be a member in good standing of SCPhA

Expectations:

1. JBMs are expected to attend and actively engage in SCPhA governance, committees, and events throughout their term.
    a. Attendance is expected at all Board of Directors and House of Delegates meetings. Absence from more than two (2) of the Board's six (6) regularly scheduled meetings in any Board planning year will constitute that member's resignation from the Junior Board.
        i. In case of extenuating circumstances, a Junior Board member may request a waiver to this provision. These waivers may be granted only by approval of the President.
    b. Attendance is expected at the Annual Convention and encouraged at other SCPhA networking and educational events.
2. Governance
    a. JBMs shall establish an annual plan for their term by the end of August to accomplish the following goals:
        i. Bridge the gap in communication between student members and SCPhA leadership.
        ii. Encourage increased student involvement in SCPhA programming.
        iii. Serve as an example of SCPhA's dedication to its members and the profession.
        iv. Implement and facilitate student-focused programming to enrich student member benefits.
        v. Advocate for the Association and the profession when applicable.
    b. JBMs shall maintain policies and procedures to ensure continuity and consistency for proper onboarding.
3. Voting: JBMs do not have voting privileges on the Board of Directors or House of Delegates except as established by the SCPhA Constitution & Bylaws.