



POLICY GOVERNANCE® PRINCIPLES AND MODEL CONSISTENCY FRAMEWORK

Consistency Team Revisions, May 28, 2025 with revised PLLDs for Principles 1-8

The Consistency Team is pleased to present a revised version of the Policy Governance® Model Consistency Framework. In addition to the revision of Potential Lower Level Definitions (PLLDs) for five Policy Governance principles published in December 2022, the Team has revised another three (for Principles 2, 3, and 8). Currently, the PLLDs Principles 1 to 8 have each been extensively reviewed and revised by the Team.

Please note that the content of two columns have not been reviewed in this process: Potential Criteria for Judging Consistency of Materials and Potential Criteria for Judging Consistency of Board Behaviors.

We hope that this contributes to clearer understanding of each of the Policy Governance Principles. If questions or concerns arise regarding the content of the PLLDs, please direct them to the CEO at Govern for Impact.

*In service,
The Consistency Team*

PURPOSE AND DESIRED OUTCOMES OF THIS DOCUMENT

Origins of the Principles and Model Consistency Framework Document

In 2012 an operational task force working for the IPGA¹ CEO was charged with developing a system for objective review to ensure, as much as possible, that IPGA presentations and publications were model consistent. It was estimated that the Principles had to be the foundation but that something more than just the Principles would be needed to conduct an objective review. It was determined to look at the further writings by the Authoritative Source, as well as surveying leading consultants to ascertain probable lower-level definitions of the Principles. These would then be extensions of, or logical expectations, given the Principles themselves.

In order to apply this set of Principles and lower-level definitions of the Principles, other criteria were created. First, observed criteria were identified by which to judge whether or not the Principles were being followed and were not being contradicted. This led to the proposed "Potential Criteria for Judging Consistency of Materials" which can be found below. It also seemed to make sense while looking at this to define "Potential Criteria for Judging Consistency of Board Behavior" which are also below.

These are not thought of as exhaustive further definitions or observable criteria to judge their application. It is expected that over time as more writings are considered and as more people use the tool they will likely expand. The goal was not to say all that could be but to say enough to achieve the desired outcome of having a way for IPGA to objectively assess model consistency.

¹ IPGA (International Policy Governance Association) was the forerunner of Govern for Impact.

In preparation for IPGA Conference 2013 a survey to gather the input of those who presented at the IPGA Conference 2012 was conducted as to their input concerning the contents of the Framework. These comments were drafted into a revised set of Definitions and Criteria which were then reviewed by the Authoritative Source. Responses from John and Miriam Carver were incorporated into a new version.

2022 Revisions to the Principles and Model Consistency Framework

In 2019, in recognition that a review was due for the Principles and Model Consistency Framework, the Model Consistency Team began the process of examining and revising the Framework with the intent of improving clarity and making it increasingly relevant and accessible.

As of May 2025, revisions have been made to the Potential Lower-Level Definitions for eight Principles, including:

1. Ownership
2. Position of the Board
3. Board Holism
4. Ends Policies
5. Board Means Policies
6. Executive Limitations
7. Policy Sizes
8. Clarity and Cohesion of Delegation

Revisions to those Potential Lower-Level Definitions are presented in blue font in the table of this document.

The Principles have not been revised as only the Authoritative Source, Miriam Carver, may change the descriptions of the Principles of Policy Governance.

PRINCIPLES BACKGROUND AND CONTEXT

- Principles are taken from Carver Policy Governance® Guides, revised and updated, © 2009 “Policy Governance® in a Nutshell”
- Definition of a Principle: A fundamental truth or proposition that serves as the foundation for a system of belief or behavior or for a chain of reasoning.
- Applying the principles means what you would expect to see or do as a natural and required conclusion when the principle is followed.

PROCESS FOR DEVELOPING THE POTENTIAL CRITERIA

The Process for Developing the original Principles and Model Consistency Framework

Developing the possible lower-level definitions and the potential implications for how one would judge both presented and published materials and board behavior for consistency was done by:

- Identifying apparent expectations in the most recent Carver Policy Governance Guides.
- Surveying several of the most regarded and experienced consultants who were Policy Governance Academy participants.
- Using the operational task force (consisting of Richard Biery, Jannice Moore, Caroline Oliver, and Eric Craymer) to synthesize the above information in order to identify expected observable criteria for filtering model consistency of presentations and publications by IPGA and of boards which were attempting to use Policy Governance.
- Checking these proposed criteria against the current Carver Policy Governance Guides as well as the previous edition's "Your Role and Responsibility as a Board Member".
- Editing or deleting any criteria which could not be confirmed as aligning with the writings.
- Adding any criteria from the writings which had not already been identified.

The Process for Developing the 2022 Revisions to the Principles and Model Consistency Framework

Working from the original version of the Principles and Model Consistency Framework, the following process was used to examine and revise the lower-level definitions for five of the ten Principles of Policy Governance.

- An Advisory Group of several of the most regarded and experienced consultants who were Policy Governance Academy participants provided feedback to the Consistency Team on the original Principles and Model Consistency Framework document
- Drawing upon the Advisory Group's feedback and upon readings from various publications authored by John and/or Miriam Carver, the Consistency Team drafted a revised version of the Potential Lower-Level Definitions for five Principles.
- The Advisory Group provided feedback on the initial set of revisions to the Potential Lower-Level Definitions for the five Principles.
- The Consistency Team made further revisions to the Potential Lower-Level Definitions for the five Principles again drawing upon the Advisory Group's feedback and upon readings from various publications authored by John and/or Miriam Carver
- The Potential Criteria for Judging Consistency of Materials and the Potential Criteria for Judging Consistency of Board Behaviors were not reviewed in depth. A few were removed as they obviously no longer fit with the revised Potential Lower-Level Definitions. A deeper examination of those criteria will be conducted following the completion of the review and revisions of each of the 10 Potential Lower-Level Definitions.

The Process for Developing the 2025 Revisions to the Principles and Model Consistency Framework

The process used for revising five principles in 2022 was repeated for an additional 3 principles in 2025.

© 2012-2022, GOVERN for IMPACT. The original collaborators were Eric Craymer, Caroline Oliver, Jannice Moore and Richard Biery with review by the Authoritative Source. Contributing to the revised version published in 2022 were: Richard Biery, John Bohley, Cam Brinsdon, Bill Charney, Eric Craymer, Karen Fryday-Field, Jannice Moore, Linda Stier, Richard Stringham and Hartger Wassink.

Contributing to the revised version published in 2025 were: Andrew Bergen, John Bohley, Bill Charney, Karen Fryday-Field, Jannice Moore, Linda Stier, Richard Stringham and Hartger Wassink.

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| Principle | Potential Lower Level Definitions | Potential Criteria for Judging Consistency of Materials | Potential Criteria for Judging Consistency of Board Behaviors |
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| <p>1. Ownership:</p> <p>The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit-corporation.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> The board must determine who it answers to. <ol style="list-style-type: none"> The board represents and acts on behalf of the population to whom it owes accountability for performance. This population is called the ownership, but could be called anything that is solely defined in this way. The board distinguishes its accountability to owners from how it may relate to other stakeholders. While the board may relate to a range of stakeholders, its primary relationship is with the ownership. For most organizations, the board doesn't own the organization and should not answer to itself. Recognizing its accountability to owners, the board develops and executes a deliberate plan for regular, consistent, and on-going two-way communication with owners. <ol style="list-style-type: none"> Connection with owners is around values and perspectives which inform board policies, particularly Ends policies and any board or operational means which are unacceptable. | <p>This implies that the following should be observed:</p> <p>References to owners are clearly not confused with customers or other stakeholders.</p> <p>References to ownership linkage or linkage plans are related to the board's current or potential policies, particularly Ends, and not related to "customer" type questions.</p> <p>There is recognition that ownership linkage should be representative (even though it may take several years to gain a completely representative picture).</p> | <p>This implies that the following should be observed:</p> <p>Board has a policy stating who its owners are and its accountability to them.</p> <p>Board develops and implements a deliberate, ongoing plan for regular, two-way communication with a representative selection of owners around board policies, particularly Ends-related issues.</p> |

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| | <p>2.1.1 The board’s ownership connection is not about seeking input on choosing operational means or assisting or giving advice to the CEO for achievement of the Ends.</p> <p>2.2 Methods chosen for ownership linkage are designed to obtain input representative of the entire ownership over time, rather than only relying on self-selected voices.</p> | | |
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| Principle | Potential Lower Level Definitions | Potential Criteria for Judging Consistency of Materials | Potential Criteria for Judging Consistency of Board Behaviors |
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| <p>2. Position of Board:</p> <p>The board is accountable to owners that the organization is successful. As such it is not advisory to staff but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.</p> | <p>This includes at least:</p> <p>1. The purpose of a governing board underlying Policy Governance theory and principles is “informed owner values are transformed into organizational performance.” (John Carver) The board exists to fulfill this purpose (i.e., it is responsible to make sure this happens).</p> <p>1.1 This purpose positions the board as ownership’s agent between the ownership as a whole and those to whom the board chooses to delegate.</p> <p>2. Authority flows from the ownership, to the board, to whomever the board delegates authority. Accountability flows back through the same chain.</p> <p>2.1 As the ownership’s agent, the board holds all organizational authority permitted by law, regulations, and bylaws. The board delegates authority via policies that express its expectations for success.</p> <p>2.1.1 All of the board’s policies are developed based on an informed understanding of owners’ perspectives and values with regard to what the organization is for and how it operates.</p> <p>2.2 Anyone to whom the board delegates authority, the board holds accountable. The</p> | <p>This implies that the following should be observed:</p> <p>References to board’s relationship are related to owners and recognize the board’s accountability to them.</p> <p>It is clear that the board, not the CEO, initiates the development of the broadest Ends and then delegates further definitions to the CEO after it can accept any reasonable interpretation of what it has written.</p> <p>If Ends are being discussed, there is evidence that they have been developed based on an understanding of the owners’ perspectives.</p> | <p>This implies that the following should be observed:</p> <p>Board’s agenda cycle includes significant time devoted to ownership linkage.</p> <p>Board has clear Ends in place and there is evidence that ownership linkage has been closely connected to the Ends development process.</p> <p>Board monitors Ends achievement regularly.</p> <p>Board leadership does not consist of “approval” of management plans.</p> |

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| | board monitors to ensure that expectations are met for its accountability to the ownership. | | |
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| <p>3. Board Holism:</p> <p>The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.</p> | <p>This includes at least:</p> <p>1. This one voice principle applies to all board decisions. Board decisions include decisions regarding:</p> <ul style="list-style-type: none"> the board itself: <ul style="list-style-type: none"> principles and values upon which the board bases its decisions, the way in which it organizes itself and operates, its connection with the ownership the board's expectations of the operational organization and its evaluation of organizational performance with respect to those expectations <p>This one voice principle ensures that:</p> <ul style="list-style-type: none"> the board itself and the operational organization have unified sets of expectations. the operational organization is directed by and accountable to only the full board as one entity. <p>1.1 The one-voice is a collective decision that arises from a consideration of viewpoints, intentions, and deeper insights gathered. The board seeks to continuously embrace all the diversity it can and then reaches out to obtain more. Differences are respected and encouraged in an ongoing quest for diverse perspectives.</p> <p>1.2 Only board decisions which are made in accordance with its decision-making process</p> | <p>This implies that the following should be observed:</p> <p>References to board instructions are clearly referring to the one voice of the board as a whole.</p> <p>References to board committees are consistent with the requirement that they are only to help the board do its own work.</p> <p>There is no reference to the CEO being accountable to the Chair.</p> <p>Board committees are rarely, if ever, given authority to act as if they were the board.</p> | <p>This implies that the following should be observed:</p> <p>Board minutes do not show “directions” to the CEO apart from board motions.</p> <p>Board motions take the form of amendments to policy unless a decision has only a one-time action associated with it.</p> <p>The board has and enforces policy stating its expectations that board members honor board decisions.</p> <p>The board has and enforces policy that prevents individual board members from directing or evaluating the CEO and staff.</p> <p>Committees have specific charters/terms of reference from the board specifying expected results and scope of authority.</p> <p>The board does not assign board members to operational committees formed by the CEO.</p> <p>Board committees do not act with the authority of the board unless they are specifically granted that authority by the board for a limited purpose.</p> |

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| | <p>(majority rule, consensus, etc. according to rules either imposed on or adopted by the board) and recorded in the minutes have the legitimate authority of the board. This includes written policy or decisions which only have a one-time action associated with them.</p> <p>2. Each board member supports the legitimacy of the board's decision regardless of their opinion or position on the matter. While individual board members may respectfully disagree with the board's decision, they honor the decision and do not undermine its fulfillment.</p> <p>3. Given that the board holds its authority as a group, any subset of the group, including board officers, board committees, and individual board members do not carry any individual or collective authority other than that delegated by the board as a whole.</p> <p>3.1 Any subset of the board serves the group authority by assisting the board in the board's work. It never supplants the board's group decision-making authority.</p> <p>3.1.1 The Chair has no authority over the board itself other than authority granted by the board.</p> <p>3.1.2 Individual board members do not speak for the board without authorization of the full board.</p> | | <p>Examples of not principle consistent include:</p> <ul style="list-style-type: none"> • Executive Committees • Committees operating outside of their Charters/ToRs • CGO as boss of the board, versus servant leader • Recommendations • Board members deferring to experts on the board |
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| Principle | Potential Lower Level Definitions | Potential Criteria for Judging Consistency of Materials | Potential Criteria for Judging Consistency of Board Behaviors |
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| 3. Board Holism con') | <p>4. The board makes informed decisions and does not simply defer to subsets of the board or other sources of information.</p> <p>4.1 The board may rely in good faith on information and opinions conveyed by</p> <ul style="list-style-type: none"> ○ Board officers, board members, and committees, ○ CEO and staff, and ○ Outside subject matter experts/credible sources. <p>Regardless of the sources of information, the board uses such input and wisdom to contribute to, not determine, its informed collective decision making. The board seeks and considers options rather than just adopting recommendations.</p> <p>4.2 Each board member is responsible for having sufficient understanding to make an independent, informed decision. They do not just defer to others' judgments.</p> <p>5. The CEO deals with the board as a whole and avoids lobbying individual board members or groups of board members.</p> | | |

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| <p>4. Ends Policies:</p> <p>The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are means decisions. Hence in Policy Governance, means are simply not Ends.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> 1. Ends describe what the organization is for (purpose) based upon the board's consideration of owner intent. Ends do not describe what the organization is or what it does. 2. Ends policies only address Ends issues and not means issues. <ol style="list-style-type: none"> 2.1 Any further definition of the broadest Ends policy by the board, no matter how specific, must still be an Ends policy. 2.2 The broadest Ends policy must contain all three elements of Ends. Lower-level Ends policies contain any one element or combination of elements. 3. Ends must be broad enough to capture the fullness of the board's intent, be specific enough to capture the clarity of the board's intent, and be realistically achievable. | <p>This implies that the following should be observed:</p> <ol style="list-style-type: none"> 1. Do references to Ends mention all three elements of Ends? 2. Are Ends and means accurately separated in references? 3. Do references to Ends refer to fullness of intent and within the organization's ability to achieve? 4. Is the importance of discerning owners' intent as the primary, though not necessarily only, basis for Ends development clear? That is, does it illustrate that the owners' intent is known and weighed with any other pertinent information in the formation of Ends. | <p>This implies that the following should be observed:</p> <ol style="list-style-type: none"> 1. Do the board's Ends policies contain all three elements of Ends, at least at the broadest policy level? 2. Do the board's policies separate Ends from means? 3. Can the board evidence that it has considered do-ability? 4. Can the board evidence that its Ends and Ends revisions reflect a wise summation of owners' intent? <ol style="list-style-type: none"> a. Can the board evidence regular dialogue with the owners on Ends? b. Can the board evidence other input from CEO, other stakeholders, experts, et al. in order to inform its Ends judgments? |

| Principle | Potential Lower Level Definitions | Potential Criteria for Judging Consistency of Materials | Potential Criteria for Judging Consistency of Board Behaviors |
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| 4. Ends Policies con't | | | 5. Is the board spending a significant amount of its time formulating/ revising its Ends, talking to its owners about the Ends and assessing the impact of organizational achievement of Ends (which is clearly for the collection of decision information, not monitoring or incidental information)? |

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| <p>5. Board Means Policies:</p> <p>The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and Board-Management Delegation policies.</p> | <p>This includes at least:</p> <p>1. The board must systematically and comprehensively establish its expectations of itself and its members in board means policies.</p> <p>1.1 In defining its expectations the board must include the following three job results that are essential to the board's authority and cannot be delegated.</p> <ul style="list-style-type: none"> • The authoritative link between the ownership and the organization; • Explicit governing policies which at the broadest level address Ends, Executive Limitations, Governance Process, and Board-Management Delegation; and • Assurance of satisfactory organizational performance on Ends and Executive Limitations. <p>The board may add other results to this list but cannot shorten the list and govern responsibly.</p> <p>1.2 The board will define its expectations of itself and its members until it can accept any reasonable interpretation by the Chair/Chief Governance Officer or other official bodies of the board to whom it chooses to delegate.</p> | <p>This implies that the following should be observed:</p> <p>Are matters of board means addressed separately from Ends and matters of staff means?</p> <p>Are the core elements of the board's job description clear?</p> <ol style="list-style-type: none"> 1. Connection with Owners? 2. Determination of Ends, Executive Limitations and board means policies? 3. Assurance of Operational Performance? | <p>This implies that the following should be observed:</p> <p>The board has policies that set out all its expectations relating to its own job results and conduct. Its job results cover its connection to its owners as well as the development of and monitoring of governing policies. Its conduct includes the conduct and support of its meetings, the fulfillment of its legal and fiduciary duties (including a board member code of conduct) through policy setting and monitoring, as well as its delegation and accountability relationship with its officers, committees and executive.</p> <p>The board operates in accordance with these expectations.</p> <p>The board has an annual work plan that enables it to fulfill its expectations.</p> <p>The board has a process to evaluate its own compliance with these policies to assure its accountability to owners. (See also Principle 2).</p> |

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| <p>6. Executive Limitations Policies:</p> <p>The board defines in writing its expectations about the means of the operational organization. However, rather than prescribing board-chosen means -- which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those means that would be unacceptable even if they were to work. These are Executive Limitations policies.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> 1. Executive Limitations articulate the values about operational means which would be unethical or imprudent. Preventing imprudent and unethical behavior is the board's sole aim in setting these policies. 2. These policies comprehensively cover all unacceptable CEO means. 3. The intent of these policies is to outline the board's criteria for what would not be acceptable even if effective. It's not the intent of these policies to direct the specific choices or means that the CEO uses to lead or operate the organization. The CEO has the authority (is empowered) to choose or select means which have not been prohibited by the board's policies. In essence the board has pre-approved these CEO selected means. The CEO is "left free as possible to experiment, innovate, and shift everything else quickly and easily" (John Carver). <p>3.1 For clear, efficient, and effective direction to the CEO, and to avoid the risk of prescribing CEO means, the board uses proscriptive (forbidding/prohibiting) language to outline the board's criteria for means decisions, actions, or circumstances that are unacceptable even if effective. In contrast, to use prescriptive language to require the selection of specific means would unnecessarily prohibit the CEO</p> | <p>This implies that the following should be observed:</p> <ul style="list-style-type: none"> • Is the need for negative language set out clearly? • Is the need for encompassment clear? • Is the relationship to risk clear? • Is the CEO's freedom clear? | <p>This implies that the following should be observed:</p> <p>The CEO listens politely to individual board members but only acts on the full board's passed policies.</p> <p>The CEO chooses the most appropriate means to achieve Ends without asking board's approval.</p> <p>The board places no limits directly on any staff other than the CEO.</p> <p>The board can articulate to third-parties which expect extensive "approvals" how the limitations approach simultaneously enhances both productivity and accountability.</p> |

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| | <p>from any other choices.</p> <p>3.1.1 On a cautionary note, boards can misuse proscriptive language to indirectly tell the CEO what to do (that is to prescribe specific means). For example “...the CEO shall not fail to ” is merely another form of prescription</p> | | |
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| Principle | Potential Lower Level Definitions | Potential Criteria for Judging Consistency of Materials | Potential Criteria for Judging Consistency of Board Behaviors |
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| <p>7. Policy Sizes:</p> <p>The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegatee of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation polices are exhaustive in that they establish control over the entire organization, both board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans, and budgets.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> 1. Any given policy fits within one and only one of the four policy categories. 2. The board carefully determines the broadest or largest policy issue in each of the four policy categories before dealing with smaller issues in any category. Stating the largest decisions accurately requires as much precision of thought and language as doing so for the smaller ones. 3. If the board wishes to address smaller levels, it never skips levels, but moves to the next smaller levels in sequence. 4. The more specific policies beneath logically fall within the scope of the policy “above” it. 5. Subordinate policies at any level taken together could but need not comprehensively define the superior policy under which they fall. 6. It is possible that a board issue or concern could fall under two different policies in the same category. Keeping in mind that any lower-level policy is interpreted under the lens of the larger policy above it, the board considers where the best policy “location” is for the issue and place it appropriately. However, if the deliberation leads to the discovery that there are really two or more different values or issues, then those different concerns may be placed in different policy | <p>This implies the following should be observed:</p> <p>Architecture and process for policy development are accurately described (value, category, level, increasing definition with lower levels stop when any reasonable interpretation would be acceptable).</p> <p>Illustrations of policies indicate the need for containment (nothing below which is not above; size and breadth).</p> <p>Policy development should be described as stopping at the earliest level of detail needed for the board to accept any reasonable interpretation of the requirements as written, allowing the freedom of interpretation beyond that level.</p> <p>In Executive Limitations, the policy should always stop short of being back door prescription or reaching the level of preferred methods (management consulting).</p> | <p>This implies that the following should be observed:</p> <p>Board meetings and policy development follow the architecture and process (identify value, shared interest, category, level, increasing definition with lower levels stop when any reasonable interpretation would be acceptable).</p> <p>Each direction from the Board is captured by and delegated within policy.</p> <p>Board refrains from going into any more detail of definition in policy than it needs to reach acceptability of any reasonable interpretation.</p> <p>When the board is considering a potential policy development it uses the concept of policy sizes and any reasonable interpretation in determining whether or not a policy is needed and, if so, at what level and place.</p> <p>The board exhibits discipline in this area, identifying and correcting the times or topics where they may go astray.</p> <p>The board is disciplined to allow any reasonable interpretation, not their favorite, own or expected interpretation.</p> |

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| | locations or as separate policies in the same location, one for each of the different values or issues. | All board direction is encompassed within the policies (broad to narrow, all four categories) so there are no directions outside of policy | The board does not get involved with matters or interpretations delegated to the CEO in policy unless they are duly noted in policy and used in the interest of protecting that delegation (such as the use of a Required Approvals Agenda, board issued honorariums or recognitions defined as the part of the board's role or when they have reserved to themselves the job of taking a public position on an issue or issues in their job description). |
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¹ Carver Policy Governance Guide, latest ed.

² Items such as core values, philosophy, statement of faith, etc., can be encompassed with the policies, generally under Governance Process Policies

| Principle | Potential Lower Level Definitions | Potential Criteria for Judging Consistency of Materials | Potential Criteria for Judging Consistency of Board Behaviors |
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| <p>8. Clarity and Coherence of Delegation:</p> <p>The identification of any delegatee must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> 1. Clear delegation is assigning the authority and responsibility for accomplishing a defined scope of work and holding the delegatee accountable for its achievement. Any delegation by the board whether to operations, board officers, or board committees is clear, explicit, and exclusive. <ul style="list-style-type: none"> • Authority is the formal power vested in an individual or group to make decisions, give direction, allocate resources, and enforce achievement and compliance within the defined scope. • Responsibility is the fulfilment of obligation and refers to both individual direct responsibility and cumulative responsibility. <ul style="list-style-type: none"> ○ Individual direct responsibility is the obligation to perform assigned duties to the best of one's ability, ensuring that objectives are met, and standards are maintained. ○ Cumulative responsibility is the summation of the individual direct responsibilities of all those persons for whom a person answers including themselves. • The term accountability is used to mean this cumulative responsibility. It is the obligation to explain, justify, and take ownership of decisions and actions of all responsibilities being accounted for. | <p>This implies that the following should be observed:</p> <p>The need for an identified point of delegation (authority and accountability) should be clear (be it singly in ideal or multiple points or a team).</p> <p>Descriptions or depictions should indicate that specific expectations should be stated using the policy architecture, the importance of putting the delegatee on notice of what is being delegated and how they will be held accountable, and that they are allowed any reasonable interpretation.</p> <p>All delegation is done by the board as a whole and in policy.</p> <p>No action, behavior, process, or structure of the board will undermine the delegation of the full board.</p> <p>Depicts that the board does not direct, evaluate, or dictate to any individuals or areas which have been delegated elsewhere.</p> | <p>This implies that the following should be observed:</p> <p>All directions of the board are stated in policy and clearly assigned for further definition to some point other than the board, (CEO, group, board officer, board committee, etc.).</p> <p>Neither the board nor any subset of it directs or evaluates any party other than the delegatee for the topic under consideration.</p> <p>There are no instances or indications of any person or body outside of the board or a duly appointed agent of the board making or evaluating the delegation.</p> <p>All expectations of the board are fully defined within its policies, no person or body is held accountable for expectations which are not found in policy or that fall below the any reasonable interpretation level.</p> <p>Board committees and board officers work to support the work of the board and do not exercise any direct authority outside of it (with other parts of the board, the CEO or staff).</p> <p>The board honors its delegations in word</p> |

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| | <p>1.1 The board states in policy the scope of authority and responsibility being delegated, and it never delegates the same authority and responsibility to more than one point.</p> <p>1.2 The board never delegates in a way that interferes with or makes unclear delegation to another point.</p> <p>2. When the board chooses to delegate operations to a CEO, it honors the exclusive authority and accountability of the CEO position as the sole connection between governance and operations.</p> <p>2.1 The board holds the CEO fully accountable for the behavior and performance of those who report directly or indirectly to that position and accords the CEO the concordant authority that goes with the accountability.</p> <p>3. Delegating to an individual serving as the CEO ensures that there is one person (CEO) accountable to the board for achieving the Ends within the Executive Limitations. This is the clearest and most expedient structure for the board's delegation of authority and responsibility for organizational performance.</p> <p>4. The principle does allow for approaches other than a single person serving as CEO, as long as the board delegates everything the board intends to delegate, and the delegation is unique to each delegatee.</p> <p>4.1. Delegation could be to a CEO entity comprised of more than one person. In this</p> | <p>Indicates that delegation must be clearly apportioned so that there is never more than one delegatee (single or group) for any given delegated expectation.</p> <p>The board must evaluate whether or not the expectation has been met. This is true be it delegated to the CEO, a group, the board, or a board officer or committee.</p> <p>All of the above should be described as pertaining to both operational directions (Ends and Executive Limitations) as well as board means (Governance Process and Board Management Connection).</p> | <p>and deed.</p> <p>The board never delegates the same expectation to more than one delegatee.</p> <p>The board recognizes that anything it does not delegate, it as a body remains responsible and accountable for.</p> |
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case, these multiple persons share the CEO role and function as a single point of delegation accountable to the board.

To retain clarity and responsibility for the whole of the operations by a single entity comprised of multiple persons requires discipline. These multiple persons stand together or fall together.

4.2. In the absence of the CEO function (e.g., in organizations which have limited resources to allow for a CEO function), delegation could be to multiple delegates with unique scopes of authority and responsibility. Each delegatee would be responsible for their board specified domains.

Delegating to multiple delegates, each with a unique scope of authority and responsibility, introduces complexity and risk to the effectiveness and accountability of the Board-Operations relationship. The board would not only need to define Ends and Executive Limitations (the job to be done) but would also need to decide the division of labor among different delegates to accomplish successful performance of the whole organization.

5. When delegating operational functions, the board could retain some as long as doing so does not interfere with, duplicate, or obscure that which has been delegated.

6. The board does not delegate to a person whose responsibility is within a delegatee's accountability,

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| | such as delegating an assignment directly to a staff person for whose responsibilities the CEO is accountable. | | |
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| <p>9. Any Reasonable Interpretation:</p> <p>More detailed decisions about Ends and operational means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegates, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board means, delegation is to the CGO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegatee has the right to use any reasonable interpretation of the applicable board policies.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> 1. In the case of Ends and Executive Limitation policies (when a CEO exists), that delegatee is the CEO who has the right to, and responsibility for, a reasonable interpretation. 2. In the case of Governance Process policies and Board-Management delegation, the delegatee is typically the chairman (CGO) except when explicitly stated otherwise, who has the right to, and responsibility for, a reasonable interpretation. 3. An interpretation is deemed to be reasonable when it provides an operational definition which includes defensible measures and standards against which policy achievement can be assessed. <ol style="list-style-type: none"> a. The term used to describe the interpretation is unimportant as long as the concept is applied. (Some of the currently used variations include "reasonable interpretation", "operational definition", "reasonable operational definition" and possibly others.) | <p>This implies that the following should be observed:</p> <p>There is no standard for measuring a report or action meeting expectations except based on any reasonable interpretation.</p> <p>The authority to use any reasonable interpretation is clear.</p> <p>It depicts that the board as a body, not individuals, judge the reasonableness of the interpretation.</p> <p>It depicts that the interpretation always belongs to the delegatee regardless the manner of monitoring.</p> <p>It suggests that in cases where the interpretation is reasonable but does not meet the expectations of the board then it is still acceptable for the delegatee to use, (though the board may then adjust its own policy to address the issue).</p> | <p>This implies that the following should be observed:</p> <p>The full board actively determines the reasonableness of the interpretation.</p> <p>No delegatee is held accountable for anything but a reasonable interpretation.</p> <p>When the board finds an interpretation that is reasonable but not what it actually expects it is addressed in the policy development process.</p> <p>The board does not foist its own or preferred interpretations on the delegatee.</p> <p>When conducting monitoring, establishing the reasonableness of the interpretation is done before considering the data.</p> <p>The board does not waiver from its duty to evaluate whether or not a reasonable interpretation has been defined and used and will take the action it deems appropriate if it has not been achieved.</p> |

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| 9. Any Reasonable Interpretation con't | <p>4. Defensible measures and standards are those that:</p> <ul style="list-style-type: none"> a. Are objectively verifiable (e.g., through research, testing, and/or credible confirmation of observable phenomena. b. Are relevant and conceptually aligned with the policy criteria and the board's policy set. c. Represent an appropriate level of fulfillment within the scope of the policy. <p>5. When the board examines the delegatee's reasonable interpretation, and subsequently is convinced that the extent, depth, and reasonableness of interpretation are objectively justified, acceptable and sufficiently addresses the policy, the board should accept it as reasonable.</p> <p>6. If the interpretation is reasonable– but doesn't accomplish what the board's intentions is, the board must subsequently add further specificity to its policies to further clarify its intent.</p> <p>7. The CEO is allowed any reasonable interpretation at any time, even if they have provided the board with an earlier interpretation, any new one (even at the point of monitoring) is valid as long as it is reasonable</p> | <p>It depicts that if the interpretation is judged not reasonable then the data cannot be valid or relevant. A justification or rationale for the interpretation is seen as providing assistance to the board's ability to evaluate its reasonableness.</p> <p>Any process for evaluation of reasonableness is defined in a way that meets the above criteria.</p> | |

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| <p>10. Monitoring:</p> <p>The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.</p> | <p>This includes at least:</p> <ol style="list-style-type: none"> Monitoring requires two acceptable things; a reasonable interpretation and data showing evidence that the interpretation is being met. <ol style="list-style-type: none"> Since data points to interpretation, interpretation must be found reasonable first. Monitoring is simply comparing data against a reasonable interpretation of the criteria stated in the policy. <ol style="list-style-type: none"> CEO can use any reasonable interpretation <ul style="list-style-type: none"> CEO's interpretation is the first step no matter what method of monitoring is used. Information provided must be relevant and sufficient. Extraneous information is to be avoided and/or ignored. | <p>This implies that the following should be observed:</p> <p>When describing monitoring it should always indicate the two requirements for success (a reasonable interpretation and data showing accomplishment of it) and nothing else.</p> <p>It should not suggest looking at or worrying about data or metrics prior to judging interpretation.</p> <p>Any forms or processes should conform.</p> <p>CEO interpretation is starting point for monitoring, can be changed at any time.</p> <p>Monitoring process must start with CEO interpretation.</p> <p>Extraneous data or criteria are not included as valid or informing the board's assessment.</p> <p>Board should be deliberate and proactive in its monitoring, not reactive.</p> | <p>This implies that the following should be observed:</p> <p>Does the board appropriately assess the report;</p> <ul style="list-style-type: none"> Interpretation judged reasonable Data evidences interpretation Only relevant criteria and data considered Process is recorded as board act <p>Has the board developed and does it follow a schedule of monitoring designed to fulfill its accountability to owners?</p> <p>Does the board insist on and only assess relevant information concerning both interpretation and data to evidence it?</p> <p>Does the board insist on the standard of finding interpretation reasonable and data sufficient</p> |

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| 10. Monitoring con't | <p>3. Board controls monitoring process, generally avoiding surprises by using a schedule that details expectations of the process</p> <ul style="list-style-type: none"> a. Board selects from three different forms of monitoring (internal, external and direct), b. Board selects frequency of monitoring for each policy delegated, c. Board selects date at which it requires report to be provided, (or the date is set by the CGO if the board has not done so), and d. Board can require monitoring outside of the schedule as is agreed to by the board as a whole <p>4. Monitoring gives the Board the confidence that it is assured of owner accountable performance.</p> <p>5. The definition and process of monitoring are consistent with this principle and these lower level definitions.</p> <p>6. New issues that arise which are outside of the existing system are undefined criteria and not relevant to monitoring.</p> <p>7. Because Ends are statements of the organizational purpose to be achieved, the link of the Ends interpretation to organizational implementation must be clear.</p> | <p>No description of monitoring or proposed process for conducting it conflicts with these definitions.</p> <p>Any "off schedule" monitoring should be clearly a decision of the full board, not a single member or subset of the board.</p> <p>References to any monitoring criteria or data outside of those found in the policies are noted as not meeting standards of monitoring.</p> <p>Any method of "overseeing" management should include any reasonable interpretation, data, and a comparison of actual against expected based on the any reasonable interpretation.</p> <p>If the board becomes aware of information that would cause a change in criteria or if they discover that a reasonable interpretation of the policy as written is unacceptable they do not hold the CEO accountable for it, they develop policy to shift the criteria</p> | <p>Does the board require that monitoring begin with a reasonable interpretation regardless of the method?</p> <p>Does the board take appropriate and official action for non-compliance (e.g. setting a deadline for compliance)?</p> <p>Does the board change its monitoring schedule by a vote of the board? Is such a vote incorporated into the policy?</p> <p>Does the board provide communication to the owners it represents as to acceptable performance within acceptable parameters of operational means.</p> <p>No judgment by the board or a member of it lies outside of the monitoring process and never focuses on any position but the CEO's.</p> <p>When the board discovers the potential need for new criteria does it have a mechanism to address it in policy development? If so, does it actually use that mechanism?</p> |