

AHA Directors Manual



ARABIAN
HORSE ASSOCIATION

2018

Table of Contents -

	Pg.
AHA Vision & Mission Statement.....	3
Welcome Letter	4
I'm a Director-Now What?	5
Official Job Description.....	10
Regional Map	13
Board of Director Meetings.....	13
What's Up With Membership Involvement?	16
Remember When	18
What's On the Inside of AHA?	20
What About AHA Financials?.....	23
Programs & Promotions	26
Show Me the Paperwork	30
Event-Shows & Rides.....	31
Available Help	32
Policies to Govern the Business Operations of AHA.....	33

Vision Statement

*Arabian Horse Association exists for
growth in the number of people
having a passion to
own and enjoy the
Arabian, Half-Arabian and Anglo-Arabian*

The Mission of the Arabian Horse Association is to Promote:

- *Growth in the interest in, and demand for the Arabian, Half-Arabian and Anglo-Arabian Horse*
- *Preservation of the integrity of the breed*
- *Increased participation in activities involving the Arabian, Half-Arabian and Anglo-Arabian Horse*
- *Recognition by the equine industry and general public about the value and attributes of the Arabian, Half-Arabian and Anglo-Arabian Horse*
- *Ensure services and benefits that are valuable and convenient for the AHA Members*

WELCOME TO THE TEAM!

- **THE AHA MANAGEMENT TEAM**

Extends a big welcome to you as you join the current Board members of AHA. We look forward to working together to meet our goals.

- **UPDATES**

You will receive periodic updates from the President and the AHA office to keep you apprised of the latest information.

- **DEPARTMENT SENIOR DIRECTORS AND AHA DIRECTOR COMMUNICATION**

We will attend the Board Meetings and be available to answer your questions and provide facts from our departments. Refer to: 'What's on the Inside' from the table of contents, to identify the appropriate team for your information request.

- **HOTEL RESERVATIONS**

Contact Joleen, the Executive Administrative Assistant, who will gladly help you with hotel reservations for Board meetings in Colorado. She can be reached at (303) 696-4552 or joleen.white@arabianhorses.org.

- **KEY DATES**

To assist you in planning your year, you will find key dates for National Events in the back inside cover of the AHA Handbook, Board meeting dates in the August Board minutes, and Committee meeting dates from the Chairs. AHA dates and deadlines can also be found on the AHA website.

- **REFERENCE MANUAL**

The following reference manual is filled with information that may be of benefit to you as an AHA Director. Happy reading!

Once again, Welcome to the AHA Team!

—AHA Senior Directors

I'm a Director—Now What?

Welcome to the Board of Directors of the Arabian Horse Association! As a member of its policy-making body, you will play a major role in the growth and development of the Association and the Arabian, Half-Arabian, and Anglo-Arabian industry. You are responsible to and represent the ownership of AHA which is the entire membership (club members and non-club members).

CODE OF ETHICS, CONFIDENTIALITY AND CONFLICT OF INTEREST POLICY

Introduction:

As the officers, directors and employees of the Arabian Horse Association (AHA), and because we operate in the public spotlight, we are expected to conduct our affairs on a basis consistent with the great trust that has been placed in us. This requires our behavior to conform to the highest ethical principles. For these reasons, the AHA requires its officers, directors and staff to conduct business with integrity, to maintain a standard of ethical conduct consistent with the mission statement of the AHA. Furthermore, because the appearance of impropriety can be just as damaging as actual impropriety, conduct, which appears to be improper, is also unacceptable. (See definitions below.) Accordingly, officers, directors and staff are required to comply with the AHA Code of Ethics when representing or participating in AHA activities. (See AHA Chapter 3, Code of Ethics and Sportsmanship.)

Additionally, officers, directors and staff should at all times:

1. Conduct all dealings with honesty and fairness.
2. Respect the rights of all employees to fair treatment and equal opportunity, free from discrimination or harassment of any type.
3. Know, understand and comply with the laws, regulations, and codes of conduct governing the conduct of AHA competitions and business.
4. Ensure that all transactions are handled honestly and recorded accurately.
5. Protect information that belongs to AHA, or donors, sponsors, suppliers and fellow workers.
6. Avoid conflicts of interest, both real and perceived.
7. Never use AHA assets or information for personal gain.
8. Recognize that even the appearance of misconduct or impropriety can be very damaging to the reputation of the AHA and act accordingly.

CONFIDENTIALITY

Officers, Directors and Committee Members shall comply with Rule CBP 101.15 which states, "When designated confidential, any information or material given or distributed to the officers, directors and/or committee members (as defined in Chapter 5) of AHA shall be kept confidential and not further passed on or disseminated." When any written or oral communication contains the statement "Confidential" in the heading or beginning of the communication, all the information contained in such communication is "designated confidential" in accordance with AHA Rule CBP 101.15.

Conflicts of Interest

These principles provide a framework of integrity for interactions with or on behalf of AHA. However, given the unique makeup of the AHA family, more in depth questions may arise regarding conflicts of interest. For this reason, the following guidance is provided:

- AHA defines a conflict of interest as any personal or financial (both direct and indirect) relationship including relationships of family members (see definition below) that could influence or be perceived to influence your objectivity when representing or conducting business for, or on behalf of AHA.
- AHA defines "family" for the purpose of this policy only as follows: spouse, parent, child or spouse of a child, brother, sister, spouse of a brother or sister, a cohabiting companion, or any other individual with a significant familial or familial-like relationship.

- AHA defines a substantial appearance of a conflict of interest as whenever others may reasonably infer from the circumstances that a conflict exists. Because the appearance of impropriety can be just as damaging as actual impropriety, conduct that appears to be improper must be disclosed so that the appropriate AHA entity may determine whether such substantial appearance of a conflict is deemed to be a prohibited conflict of interest. For these reasons, an individual must recuse himself/herself from participating in the AHA activity giving rise to the substantial appearance of a conflict of interest unless and until it is determined by the appropriate AHA entity that no conflict exists.
- Following appointment or election, each AHA Board member, Budget and Finance Committee member, Ethical Practice Review Board member, Internal Audit Committee member, Market Development and Promotion Committee member, Probable Cause Panel member, or any AHA Commission member, must fulfill his/her obligation to disclose any conflict by submitting the appropriate form attached (A and B) to the Executive Vice President. These Conflict of Interest forms will be in effect forever or until updated as situations change, then the updated forms will supersede the previous forms and will be in effect forever. After fulfilling terms on boards, committees and commissions, all confidential matters that are provided to you shall remain confidential forever. Any disclosures that you make on these forms will also remain confidential, unless disclosure is required by law or the EPRB process.
- Inappropriate hospitality or gift giving between individuals can also create a conflict of interest. AHA defines inappropriate hospitality as the offering or receiving of accommodations, tours, event tickets, entertainment, meals or other similar personal benefits except as specifically provided for by applicable policies. Similarly, AHA prohibits the receipt or giving of personal gifts except for items of nominal value such as coffee mugs, hats, pins, etc. unless specifically provided for by applicable policies.

Questions regarding the application of AHA's hospitality and gift policies must be addressed to the Executive Vice President.

Enforcement

Any person who violates or condones the violation of the Code of Ethics or this agreement is subject to disciplinary measures, which may include termination of membership, employment, and expulsion from the board or committee. The Executive Vice President shall review all violations of the Code of Ethics and, if appropriate, (a) as to officers, directors and committee members, refer the matter to the Probable Cause Panel for determination if the matter should be forwarded to the Ethical Practice Review Board for any disciplinary action that should be taken, or (b) as to staff, sanction the individual in accordance with AHA's standard employment practices.

This code serves as a framework for ethical conduct but does not cover every situation. If you are unclear about the requirements of this code, please consult your supervisor or contact the Executive Vice President at AHA as follows:

Arabian Horse Association
 10805 East Bethany Drive
 Aurora, Colorado 80014
 Telephone: (303) 696-4500
 Fax: (303) 696-4599

REPRESENT THE MEMBERSHIP

As a member of AHA's Board of Directors, the majority of your responsibility as a Director is to represent the entire membership and to represent the Arabian, Half-Arabian and Anglo-Arabian interests and promotion.

There are many different viewpoints in AHA and sound reasons to support each of them. In evaluating a position, keep in mind that the Board of Directors are responsible to ALL members and must place the welfare of the total Association ahead of other considerations. Each decision you make will impact the future growth potential of AHA.

Each Director is unique and contributes special talents to the successful management of AHA. It is important, therefore, that you express your viewpoints and share your opinions on issues before the Board of Directors. This Association will benefit from the areas of expertise you bring to the Board.

Criticism can be important to the growth and development of the AHA—providing it is of a constructive nature. Consider the needs and feelings of others. Deal with issues and facts, not personalities. Also exercise the utmost caution in posting on social media as a Director since your comments may not be reflective of the entire AHA Board of Directors.

As a Director, you will find that much importance is being attached to your remarks, both on and off the record. Discretion protects credibility and discourages rumors, gossip, and unjustified criticism. You will be required to complete the "Code of Ethics, Confidentiality & Conflict of Interest Form" prior to receiving any communication (whether by written/electronic means or in a closed session of the Board of Directors).

BE WELL-INFORMED

Difficult, but essential to your job as Director, is the ability to keep abreast of the many problems and issues facing AHA. The following resources are in place to help keep you informed:

- The Executive Vice President and staff are qualified and eager to share their working knowledge and expertise with you. It is essential that the staff and the Board work as a cohesive team. When communicating with staff, protocol requires that the EVP be kept informed of communications.
- Official documents of AHA that explain previous policies and decisions, such as the Articles of Incorporation, Bylaws, Code of Ethics, Resolutions, Board minutes and motions are great reference resources.
- Correspondence and background materials from the AHA office.

COMMUNICATION

Open two-way communication is imperative. As an elected Director you should make a dedicated effort to visit each Member organization in your Region during the year. Some Regional Directors have found that a periodic "newsletter" or regional website serves as a very beneficial communication tool.

DUTIES

Outlined below are some of the varied responsibilities of your role as a Director:

- Make nominations for boards, committees, and commissions elected by the Board of Directors and the Convention delegates.
- Make recommendations to the President for positions on non-elected committees. These should be submitted prior to the Convention to allow the President to make appointments and have the committee list published as soon after convention as possible.

Outlined below are some of the varied responsibilities of your role as a Regional Director:

- Act as the Chair of the Board of Delegates from your Region. At least one meeting of the Board of Delegates shall be held annually.
- Represent your Region as a Voting Delegate. Each past Director may serve as a Voting Delegate-At-Large for a period equal to the term of office served as a Director.
- Approval of all AHA Recognized events within the Region (note: Auto approval of established events will occur unless the AHA office is notified to suspend this procedure).
- Oversee the conduct of your regional Championship Horse Show. Make certain the acceptable business practices are followed, necessary insurance is acquired, and all other related matters are carried out in a proper manner. Dates for Regional shows are due on the last day of Convention or a \$100 fine will be assessed.
- Make recommendations on all applications for affiliated member organizations originating from your Region.

Outlined below are some of the varied responsibilities of your role as a Director-At-Large:

- Shall represent the interest of the purebred Arabian Horse and seek to aid, promote and foster the preservation and use of the purebred Arabian Horse and the Arabian breed and to engage in all activities and undertakings incidental to or designed to further promote these objectives.

ELIGIBILITY

Each person seeking office of a Regional Director must first qualify as a Member in good standing of an Affiliated Member Organization and with AHA in that Region (According to the AHA Bylaws). The candidate should have demonstrated his or her desire to serve the breed through active involvement in local, regional, and national programs. It is important to have demonstrated leadership and creativity through various committees.

ELECTION

The Voting Delegates from each Region elect a Director for an approximate two-year term. The election is to be held no less than 30 days prior to the opening day of the Annual Convention.

APPOINTED

The Directors appointed by the Purebred Arabian Trustees shall serve an approximate two-year term. The appointment is to be made no less than 30 days prior to the opening day of the Annual Convention.

TERM

The term of office runs from the close of AHA Annual Convention to the close of AHA Annual Convention approximately two years hence. Regional Directors of odd-numbered regions shall be elected in the odd-numbered years. Regional Directors of even-numbered regions shall be elected in even-numbered years. No Regional Director shall be elected to serve more than two consecutive terms (four years). (Exception: An individual may complete a term as Regional Director when the elected representative is unable to do so. This shall not preclude that individual from then being elected to two consecutive terms as Regional Director.)

REIMBURSEMENT

The Regional Directorship is not a salaried position. Your individual region or you as Director will be responsible for all expenses incurred while performing your role as Regional Director. The Director-At-Large reimbursement policies differ from the Regional Directors. See table for expense reimbursement:

Expense Reimbursement Eligibility Table

	<u>Staff</u>	<u>Board</u> <u>AHA</u>	<u>Board</u> <u>PAT</u>	<u>E.C.</u> <u>AHA</u>	<u>E.C.</u> <u>PAT</u>	<u>Commission</u>	<u>Committee</u>	<u>Volunteers</u>
Travel								
Airfare	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
(Limited to the value of a coach fare.)	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Mileage-----	\$0.46/mile Will be reviewed at budget time each year		\$0.46/mile Will be reviewed at budget time each year	\$0.46/mile Will be reviewed at budget time each year	\$0.46/mile Will be reviewed at budget time each year	\$0.46/mile Will be reviewed at budget time each year	\$0.46/mile Will be reviewed at budget time each year Mileage in lieu of airfare will be limited to the value of a coach ticket	\$0.46/mile Will be reviewed at budget time each year Mileage in lieu of airfare will be limited to the value of a coach ticket
Car Rental	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Lodging/Meals								
Hotel	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Meals-----	Up to \$40/day - unless per diem taken	Lunches provided at Board meetings - other No	Lunches provided at Board meetings - other No	Lunches provided at Board meetings - other No	Lunches provided at Board meetings - other No	No	No	No
Laundry	For trips >= 4 nights	No	For trips >= 4 nights	For trips >= 4 nights	For trips >= 4 nights	For trips >= 4 nights	For trips >= 4 nights	For trips >= 4 nights
Misc Other								
see * below	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee	Only for legitimate AHA related business purposes, authorized and pre-approved by President and/or Executive Committee
Per Diem	\$40/day	No	No	No	No	Yes	Yes	Yes

* Some expenses not specified in this policy may be eligible for reimbursement if directed by President and approved by EC

Effective November 1, 2007; Revised November 23, 2009; Revised November 15, 2011

Official Job Description

BASIC FUNCTION

The Director is responsible for providing broad direction to AHA, contributing time and talent.

RESPONSIBILITIES AND AUTHORITY

Within the limits of the Bylaws, Articles of Incorporation, applicable law and policies established, Directors shall be responsible for accomplishing and have commensurate authority to perform the duties set forth below.

ACTING AS A GROUP WITH ONE VOICE, DIRECTORS SHALL:

- Establish long and short-term goals and objectives for AHA to achieve. Set and periodically review policies. Update the strategic plan annually.
- Provide the Executive Vice President the resources needed to accomplish the established Vision and Mission and to carry out the strategic plan.
- Along with the Executive Vice President, establish and monitor the annual budget.
- Maintain the Board of Directors by recruiting new members as retiring members leave the Board.
- Ensure financial stability of AHA by reviewing AHA fees annually and approving changes accordingly.
- Enforce the Code of Conduct among the members, volunteers, and employees of AHA.
- Support the Executive Vice president in the administration and enforcement of Association policies and procedures.

ACTING AS INDIVIDUALS, DIRECTORS SHALL:

- Attend and actively participate in Board meetings providing expertise and knowledge to positively move our Association forward.
- Become knowledgeable about AHA and its activities and represent it as a spokesperson to individuals and groups.
- Solicit volunteers, donors and other support for AHA.
- Support AHA with donations of time.
- Nominate qualified and dedicated individuals for boards, committees, and commissions elected by the Board of Directors and the convention delegates.
- Make recommendations to the President for non-elected Committees.
- Promote Arabian, Half-Arabian and Anglo-Arabian horses.

ACTING AS INDIVIDUAL REGIONAL DIRECTORS SHALL:

- Represent the entire membership of the Region by actively participating in club and regional meetings. Call and oversee at least one meeting of the Board of Delegates, which shall be held annually.
- Represent his/her Region as a Voting Delegate. Each past Director may serve as a Voting Delegate-At-Large for a period equal to the term of office served.
- Approve event (distance rides and shows) dates for AHA. These events may be US Equestrian Federation or Equestrian Canada recognized within the Region.
- Make recommendations on all applications for affiliated member organizations (clubs) originating from his/her Region.

RELATIONSHIP

While not having to report to any one person, Directors are elected or appointed by their peers to serve AHA. Serving in this capacity, they will:

- Be responsible to AHA, and carry out responsibilities as a team member for the overall good of AHA.
- Maintain a climate that attracts, keeps and motivates top-quality Directors.
- Serve as public representatives of AHA.
- Consult with the Executive Vice President and Executive Committee.
- Become knowledgeable of and maintain a proper relationship with staff.
- May, in some instances, pay for their own expenses in areas not traditionally covered by the Region.
- Consider the needs and feelings of others. Deal with issues and facts, not personalities.

COMMUNICATION

EVENT APPROVAL

There are three ways an approval can be made for an event;

1. Log on to your Regional Director's Page and approve the event. This will automatically generate an email to Competitions indicating you have approved a specific event.
2. Respond back to Competitions via email correspondence indicating your approval of an event. If you approve events online you do not have to email approval as well.
3. Auto approval BOD motion 28-5/2000. Effective Jan 1 2001, this motion was put into effect for more efficient use of staff time. It requires Regional Directors to notify the Show Recognition Department of any shows they wish to review before automatic recognition occurs.

Shows (Events) which have had previous recognition from IAHA (AHA) shall be automatically recognized if the application meets the following criteria:

1. Must be applying for the same date (or same weekend/week/ etc.) as the previous year.
2. Must be held at the same grounds as the previous year.
3. Must maintain the same AHA/USEF/EC rating as the previous year.
4. Sponsored by the same organization as the previous year
5. Must be held in the same Region for which it is a qualifying show (Event).

Any show not meeting the above criteria will be sent to the appropriate Regional Director(s) for approval. Regional Directors must notify the AHA office in advance of any show they wish to review before automatic recognition occurs. Non response for more than 10 days by a Regional Director will constitute an automatic approval.

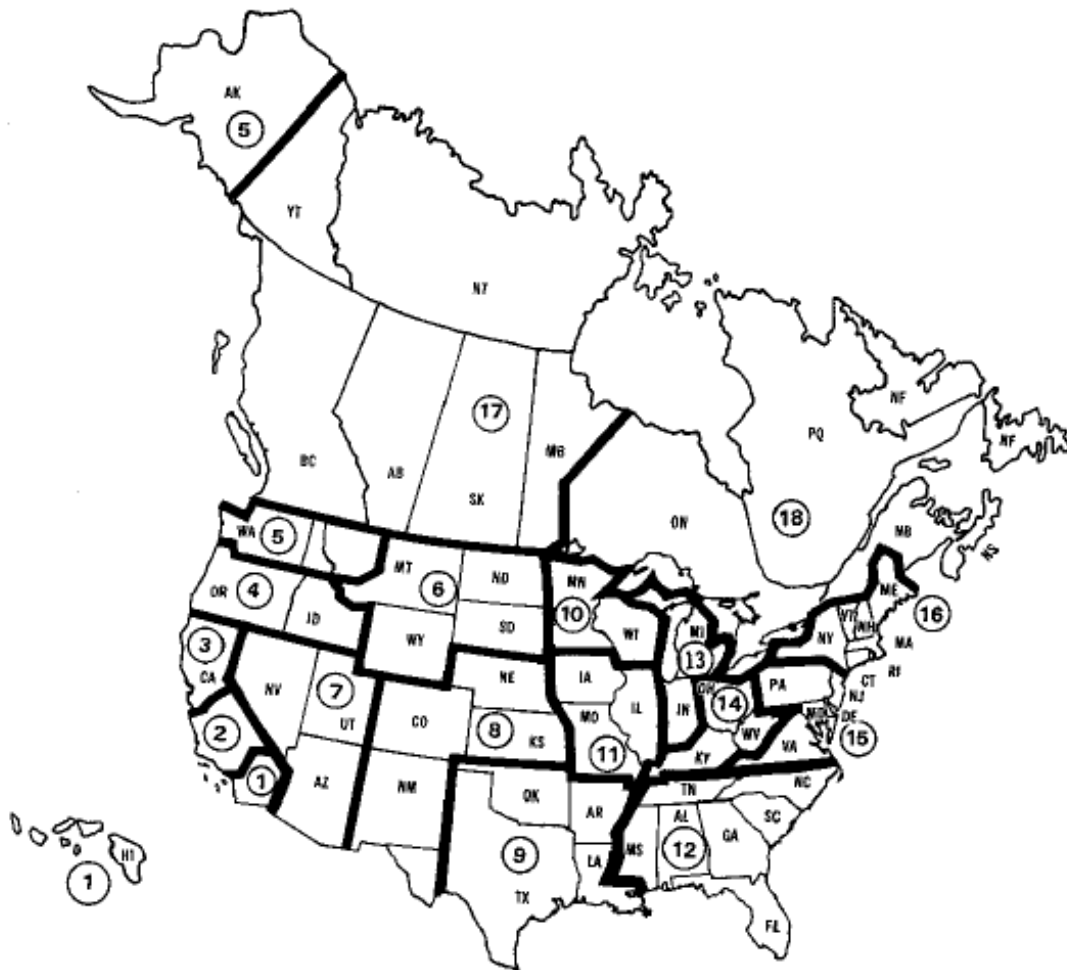
If you do not wish to approve an event, please notify the Competitions Department as soon as possible so they can inform the event management that approval has been denied. Shows denied approval do have the ability to appeal to the Board of Directors.

Online Approval Instructions-

Log on to AHA's secure site. Your Director's Home page will come up with functions only available to you as a Director.

- Click on Regional Director link on the left menu. There will be a sub menu with "Approve Pending Shows" and "Review Approved/Cancelled Shows".
- Click on Approve pending shows.
- On your home page you will also be able to see, check or print club rosters.
- If you want more information on the show-click on the show name and more detailed information will be shown on the next page.
- To approve the show click on the box in front of the show name then click on the link "Approve?". This will generate the approval date in Oracle, the show will appear on the AHA web site and an email is generated to the Approval desk that you approved the show.
- Once that is received, the rest of the approval process will be completed. The approval email is then sent to the Manager and Secretary with the approval numbers and other information for the Managers and Secretaries.

Region Map AHA



Board of Directors Meetings

MEETINGS

Typically, three regular meetings are scheduled each year (however, there may be a fourth). The Board of Directors establishes the meeting dates. In addition to these established meetings, the President may call special meetings (via conference call, email or in-person).

Except for Board meetings held during the Annual Convention, Board meetings are held at the AHA office in Aurora, Colorado. The meetings are usually scheduled to begin on Friday. The possibility does exist that the Board meeting could extend into Sunday if business is not completed. In addition, they occasionally finish on Friday.

Board meetings are run in accordance with Roberts Rules of Order. All motions must be made in writing and are requested to be in the AHA office 30 days before each meeting. Motions from Committees and Commissions are required to include the vote of said group. For motions not included in the Board mailing prior to the scheduled meeting, Motion Forms will be provided at each meeting. The President is not required to vote on motions unless the vote is needed to break a tie. Roll call votes may be taken if it is deemed that the verbal vote is too close to call. Roll call votes are posted on the AHA website.

Minutes of the Board meetings are emailed to the Board members with instructions for making changes or additions. At least 14 days will be given for review and submission of any changes prior to distribution of minutes to the membership. Minutes of the Executive Committee are approved by that Committee; however, actions passed by the Executive Committee between Board meetings are submitted to the Board of Directors for informational purposes. A record of the actions taken at the Board meetings is published in the *Arabian Horse Life*. Approved minutes including the voting record are posted on the AHA website.

FIRST MEETING OF THE YEAR

The Board considers rule and policy changes proposed by AHA committees at the Annual Convention. This meeting is also the time to consider any action needed resulting from the resolutions passed at the Annual Convention. It is also the time to review the proposed fiscal year budget. In addition, the Board is required to review the current fees set by the Board of Directors and consider any changes to the future fee structure. AHA's fiscal year is April 1 through March 31.

SECOND BOARD MEETING

Incoming Directors are invited to attend the second Board meeting as an introduction to the Board members and as an introduction to the way the meetings are conducted. The second Board meeting is the time to finalize any rule changes for the next year's AHA Handbook and is the time to consider any proposed resolutions to go from the Board to the Annual Convention

Nominations for elected boards, commissions, and committees should be considered. The deadline for nominations that will be pre-printed on the ballots is announced. Nominations are also accepted at the first Board meeting at the Annual Convention.

Written nominations for the Director's Award are accepted at the August Board meeting. The AHA staff prepares special ballots so that if a Director has been nominated, the ballot that Director receives will not contain his/her name. When the ballots are counted, that Director will be given one additional vote. Voting is done at the August meeting but the results are not made known until the winner(s) is announced during the President's Banquet at the Annual Convention. To receive the award, a nominee must receive 18 votes. When voting, you may vote for any number of the nominees. Once an individual has received the award, that individual is no longer eligible to receive another Director's Award.

BOARD MEETING AT THE ANNUAL CONVENTION (THIRD MEETING)

The Convention Board meeting is the time to consider the proposed resolutions referred to the Board by the Agenda and Resolutions Committee.

Ballots for boards, commissions and committees elected by the Board are distributed. Nominations for all elected boards, commissions and committees are opened. Nominations are closed for the ones being elected by the Board; nominations for the ones being elected by the convention delegates are held open until the first General Session where additional nominations for officers, boards and committees can be made. Nominations for EPRB made on the floor of the General Session must come from a Director or Officer.

Voting is done for boards, commissions and committees elected by the Board. Results are announced at the General Session.

Nominees for the Nominating Committee must be physically present at the Annual Convention to be kept on the ballot and elected by the Convention delegates (this may change upon the passage of Resolution 7-14). All other nominees for the boards, commissions and committees elected by the Board of Directors and Convention delegates do not have to be present at the Convention or at the Board meeting at which the election is held. All nominees must be current AHA members in good standing.

You should be prepared for other short-notice meetings of the Board at Convention that may be called as needed (both in person or via a conference call).

ATTENDANCE

AHA depends on the experience, knowledge, and judgment each Director brings to the Board. Your attendance at every meeting is extremely important. In the event you are unable to attend, please notify the AHA office, and ask your designated representative to be present. The Regional Vice Chair or alternate At-Large Directors will be entitled to attend any Board of Directors meeting and vote, and will count in determining a quorum of the Board of Directors only if the Director is absent. Remember that the "Code of Ethics, Confidentiality & Conflict of Interest Form" will need to be signed by the said Regional Vice Chair or alternate At-Large Director as sensitive material may be discussed.

Roll is taken at each day's session of the Board meetings. If a member must leave a meeting early they will be noted as "not present" for any votes subsequently taken.

PREPARING FOR THE DIRECTORS MEETING

Any Director may request that items be placed on the agenda. Most, if not all, agenda items should include written support. If a Board member has an item to place on the agenda, the item, motion and any backup documentation must be sent to the AHA office (Executive Vice President or Executive Assistant) 30 days prior to the Board meeting.

An agenda is prepared and distributed, along with all backup documentation, approximately two weeks prior to each Board meeting. This early distribution gives Directors the opportunity to review the agenda items and detail ahead of time.

BOARD LIAISON

Members of the Board serve as Board Liaison to AHA Committees/Commissions. If you have a specific committee request, make it known to the President as he/she appoints the Liaisons. The following is a definition of a Board Liaison:

A Board Member will be assigned to each Committee/Commission as liaison. If a Board Member does not wish to serve the Committee/Commission to which he/she has been assigned, it is the duty of that Director to notify the AHA office or the President. If the liaison assignment is accepted, he/she must be sure that a report of the activities of the Committee/Commission is sent to the AHA office (Executive Vice President or Executive Assistant) 30 days prior to the Board meeting. If the Committee/Commission does not meet, the report must so state. This liaison must also be prepared to answer questions about the Committee/Commission work at the Board meetings. In this way a record can be made regarding the activity level of each Committee/Commission.

Note: Committee/Commission descriptions and composition can be found in Chapter 5 of the AHA Handbook.

If a resolution is referred to a Committee/Commission at a prior Convention, that resolution is to be brought to the convention floor by a

written report from a Committee/Commission to which it was referred, the liaison shall be responsible to see that a report is made. The failure of a Committee/Commission to meet or act on a resolution shall be construed as a report recommending approval of the resolution.

BUDGETS

The deadline for submitting budgets is established by the Budget & Finance Committee working with AHA staff. As addressed above under the "First Meeting of the Year", the Board will review and approve the budget. Budgets are considered "Confidential" and cannot be shared with others unless expressed permission is received from the AHA President or EVP.

What's Up With—Membership Involvement

COMMITTEES, COMMISSIONS, BOARDS & PANELS

The boards, commissions, panels and committees of Arabian Horse Association (AHA) serve a very important function in the membership communication process. The measurable success of the organization is based upon the activity and energy of these groups. To those who serve, AHA expresses appreciation for their dedication.

If you are interested in serving on any committee:

- You should first determine how frequently that committee meets and,
- Whether you are willing to make the commitment of time, energy and money required to attend those meetings.
- No reimbursements will be made or budgeted for any individual expenses in conjunction with the AHA Annual Convention.
- Be sure you complete the Committee Sign-Up Form on-line, or submit your request to the AHA office.

The primary function of all boards, commissions, panels and committees is to act in an advisory, regulatory and/or policy-making capacity as defined in their respective board, commission, panel and committee description. The administration of AHA rules, policies and procedures, and all business transactions including but not limited to contract negotiations, budgeting and the handling of funds, will be the responsibility of AHA staff with the approval of the Executive Committee and Board of Directors (BOD) of AHA. (Refer to AHA Handbook, Chapter 5 for details.)

DEFINED COMMITTEES APPOINTED BY THE PRESIDENT (TIER "A")

Committees that have a definition and limitation of members:

Agenda and Resolutions Committee

Budget & Finance Committee

(One member appointed by the Purebred Arabian Trust, one member appointed by the Arabian Breeders Sweepstakes Commission, AHA Treasurer)

Bylaws Committee

Competitions Advisory Committee

National Event Operational Procedures Committee (NEOPS) – 2 At-Large plus 2 from each Commission

Points Monitoring Committee

USEF Arabian Division Committee (appointed by USEF with recommendations from the President)

Ad Hoc Committees & Task Forces

ELECTED BY THE BOARD OF DIRECTORS (TIER "A")

AHA Futurity Commission
AHA National Distance Commission
Arabian Breeders Sweepstakes Commission
Canadian National Show Commission
Education/Evaluation Commission
Internal Audit Committee
Sport Horse National Show Commission
U.S. National Show Commission
Youth National Show Commission
Market Development & Promotion Committee (Three members elected by AHA BOD)
Registration Commission (Three Half-Arabian/Anglo-Arabian members elected by AHA BOD)

ELECTED BY THE CONVENTION (TIER "A")

Commissioner's Review Panel
Ethical Practice Review Board (Nominations made only by a Director of the AHA Board.)
Judges and Stewards Selection Committee
Nominating Committee
Probable Cause Panel

ELECTED BY THE LICENSED JUDGES & STEWARDS (TIER "A")

Judges & Stewards Steering Committee

ELECTED BY THE ARABIAN HORSE YOUTH ASSOCIATION MEMBERS (TIER "A")

AHYA Board officers

PUREBRED ARABIAN TRUST APPOINTMENTS (TIER "A")

Six members of the Racing Commission
Market Development & Promotion Committee (Three members appointed by Purebred Arabian Trust)
Registration Commission (Three Arabian members appointed by Purebred Arabian Trust)

NON-ELECTED COMMITTEES (TIER "B") – COMMITTEE CHAIRS & VICE CHAIRS APPOINTED BY THE PRESIDENT

Amateur Committee
Annual Convention Planning Committee
Awards Committee
Breeding/In-Hand Committee
Distance Committee
Dressage Committee
Equine Stress/Research & Education Committee
Equitation/Showmanship Committee
Eventing & Driving Committee
Hunter/Jumper Committee

Membership Committee
National Championship and Regional Classes Committee
Professional Horsemen Committee
Sport Horse Committee
Working Western Committee
Youth Committee

Remember When—Our History

OUR HISTORY

Today, when the average American hears something about an Arabian horse, he probably pictures a majestic steed galloping across desert sands—mane and tail flowing, neck arched, nostrils flaring, the familiar dished face with eyes wide apart and expressive. But over 100 years ago most people had no idea what an Arabian horse was.

ARABIAN HORSE REGISTRY OF AMERICA (AHR) HISTORY

Arabian horses have been registered in the United States since 1908 by the Arabian Horse Club, aka, Arabian Horse Club of America, aka Arabian Horse Registry of America (AHR), aka Arabian Horse Association.

In 1967 the Registry out-sourced the registration information to a computer company for record keeping. By 1983 the Registry developed their first in-house computer system for registration. In 1984 the Registry staff began capturing into the Registry computers the Stud Books from other countries, thereby collecting the largest database of Registered Arabians in the world. In 1991 the Canadian Arabian Horse Registry and the Canadian Partbred Arabian Horse Registry utilized the AHR system for registering their Arabians and Half-Arabians.

Arabian Horse America was instituted in 1998 as the marketing and promotional entity to encourage the breeding and registering of Arabian Horses. They developed the Discovery Farm Program for new folks to visit and be introduced to the Arabian horse. Then followed a Mentoring Network that allowed a beginner to learn from a seasoned Arabian participant. On-line programs were added later for Arabian riders who have fun with their horses or participate in open competitions.

Beginning in the late 1950's the Registry made many donations to International Arabian Horse Association for the purpose of Judges education, promotion and youth involvement.

INTERNATIONAL ARABIAN HORSE ASSOCIATION (IAHA) HISTORY

In many ways the history of IAHA (aka Arabian Horse Association) is the history of the Arabian horse showing industry in the United States and Canada. It was that first show in 1945 at Pasadena, California, that stimulated enthusiasm throughout the Arabian horse world.

A year earlier a small group of Arabian owners formed the first Arabian horse club—the Arabian Horse Breeder's Society of California, now the Arabian Horse Association of Southern California. After that first show their membership expanded to members from all along the West Coast and as far away as Pennsylvania and Hawaii. However, the inconvenience of long travel soon resulted in the formation of new clubs across the United States and Canada.

A new awakening was beginning with the industry. Soon there were more All-Arabian shows and more Arabians were being noticed at open shows. In only five years the number of horses registered nearly doubled the total registered in the previous 37 years, and seven clubs had

been organized. In this same five-year span, it was also realized that some sort of centralized organization was needed to serve as a governing body and to facilitate coordination between clubs. The reasonable choice for the job appeared to be the Arabian Horse Club (The Registry). But when approached, its directors, knowing the Quarter Horse and Palomino Registries had problems when they became involved in these activities, decided to remain only a registry. And so, to help actively promote the Arabian horse, the clubs decided to form a separate organization.

In March of 1950, each club sent delegates to a meeting at Salt Lake City, Utah, and the International Arabian Horse Association was formed.

At the first meeting, the functions of the association were established; and essentially remain the same today. Although International's main responsibilities were promotional activities, it also coordinated Arabian horse shows, club activities, formulated and regulated rules for the industry and disseminated useful information. In addition, in IAHA's second year, it purchased the Half-Arabian and Anglo-Arabian horse registries, which had been operated by the American Remount Association. In 2002 IAHA had approximately 27,500 members and 270 member associations throughout the United States and Canada. A few of its major promotional activities included the Canadian National Championship Horse Show, the U.S. National Championship Horse Show, the Youth National Championship Horse Show, the new 2003 Sport Horse National Championship Show and the International Arabian Breeders Sweepstakes program, aka Arabian Breeders Sweepstakes.

ARABIAN HORSE ASSOCIATION (AHA)

At the November 2002 Annual Convention, a Resolution was submitted by IAHA & AHR and approved by the delegates to merge the two organizations into one association to better serve the members of both associations, better promote the Arabian horse, utilize better cost savings and overhead, eliminate confusion and to emerge with one voice for the Arabian Industry.

Thus, on April 1, 2003, the Arabian Horse Association was incorporated with a membership of over 40,000, with staff from both organizations under one roof, with one handbook for all programs and rules and with one Arabian Website for all.

Our future will be established with the merging of computer systems, enhancing the website, combining programs and merging the Board of Directors serving one organization of an enthusiastic membership who want to promote, sell and enjoy their Arabian horses.

Its been a long hill to climb with over approximately 170 combined years of AHR and IAHA, however, the end result is what really counts and the benefits will surely surpass any doubts that were worrisome along the way. This association will be the beginning of the Arabian Horse Industry, reaching the heights that it deserves.

Part of AHA success will be credited to the Arabian horse itself. Its majestic beauty and versatility have easily made them a popular breed. As a result, the public responds enthusiastically when hearing about Arabian Horses.

Inside the AHA Corporate Office

EXECUTIVE

EXECUTIVE TEAM

The Executive Department consists of the Executive Vice President, Executive Administrative Assistant, Controller, and the Director of HR & Office Services. The Executive Vice President is responsible for the overall administration of the Association and insures that the mission of the AHA is carried out effectively in accordance with directions provided by the Board of Directors, policies of AHA, and within established financial constraints. The EVP consults with the President on the coordination of the Committees, Commissions and Boards.

ACCOUNTING TEAM

The Accounting Department under the direction of the Controller is responsible for accounting, financial reporting, preparing the budget, cash management, cash flow reports, investments, tax and other filings and the coordination of the annual audit. They also secure corporate/event insurance. In addition to regular responsibilities, the department also performs ongoing work toward the improvement of existing accounting systems and procedures, as well as the design and implementation of new accounting systems and procedures. The Controller is responsible for implementing the procurement policies and procedures for the purchase of AHA goods and services. This team assists the Budget & Finance and Internal Audit Committees.

PERSONNEL & OFFICE SERVICES TEAM

The Office Services Department is responsible for the mailroom, warehouse, copy center, shipping, receiving and the batching and scanning of incoming money mail. This area also handles hiring and administration of employee benefits (insurance, Workers' Compensation) and payroll. This Team also oversees the maintenance of the building.

BUSINESS TECHNOLOGY (BT)

BUSINESS TECHNOLOGY TEAM

The Business Technology Department, guided by the Senior Director, is responsible for all computer hardware, software and data management which includes the purchasing, development, maintenance and training of any hardware or software programming required to support the internal computer system users and membership base. This department introduced e-commerce on the AHA Website and has continued to develop the site for interactive business with AHA including on line membership, program entries, national show entries, show & ride applications and program results.

MEMBERSHIP & REGISTRY SERVICES

CUSTOMER SERVICE TEAM

The Customer Service Team, led by the Senior Director/Registrar, provides individualized service and helps customers resolve a variety of issues regarding all aspects of Arabian, Half-Arabian and Anglo-Arabian registrations, transfers of ownership and membership. This is done through incoming and outgoing calls, written communication in the form of email and letters, face-to-face customer service at our National Events, Equine Affairs and walk in's to the Aurora office. Additionally they process and administer; DNA/Blood type testing, Embryo/Oocyte Transfer Permits, Transported/Stored Semen Permits, Semen Service Certificates, Certificates of Registration for Racing, Import Registrations and Export Endorsements. They also change horse records related to gender, color, markings or name. They track the results of all Arabian racing and keep records for the Arabian Jockey Club.

All special cases and investigations are handled through this department. They also update and maintain the World Arabian Database. The Registrar fosters relationships with related breed and equine associations such as the American Horse Council and national Pedigreed

Livestock Council. This group works closely with the Registration Commission to insure that AHA remains in the forefront in regards to service, integrity and stewardship of the breed.

In addition, they are responsible for the administration of all member benefit programs, creation and implementation of membership drives, maximizing member retention and all club communications. They process membership applications and renewals. Also, they process convention registrations and delegate certifications for attendance at the AHA Annual Convention and track Regional and Club Officers.

They assist the Membership Committee, Credentials Workforce Panel, Racing Commission, and Registration Commission.

COMPETITIONS

NATIONAL EVENTS TEAM

The National Events Department, under the direction of the Director, is charged with the management and coordination of the Youth Nationals, Canadian Nationals, Sport Horse Nationals, U. S. Nationals, and Distance Nationals (National Endurance Ride and National Competitive Trail Ride). They work with the National Show and Distance Commissions within the policies established by the AHA Board of Directors and within the budgets of each National Event. They process entries for the National Events and mail acknowledgements to exhibitors. In addition, they produce the omnibus prize list, utilize the job costing accounting and assist with the reports to the AHA Board of Directors. They have the responsibility to insure that all the show, ride and driving rules (AHA, USEF, EC, AERC, ADS, etc.) are followed at these national events. They also have the responsibility of assuring understanding and compliance of all competition rules and procedures through communication and maintenance.

They assist the Amateur Committee, AHA National Distance Commission, Canadian National Show Commission, Dressage, Eventing & Driving, Hunter/Jumper, NEOPS, Sport Horse Committee, Sport Horse National Show Commission, U.S. National Show Commission and Youth National Show Commission.

COMPETITIONS/PROGRAMS TEAM

The Competitions/Programs Department, under the direction of the Senior Director, is charged with recognition and recording of qualifying competitions and the servicing of competition related programs. This team also pursues delinquent payments to AHA Recognized Competitions and Member Organizations through its collection services. This team provides staff support to the National Events Team.

This area has the responsibility of improving understanding and compliance of competition rules and procedures through communication and maintenance. This includes responsibility for the rules in the AHA Handbook (producing the content), the recognition of AHA shows and rides and the posting of show and ride results, which are the foundation of AHA programs. They also monitor the Board of Director motions for rule compliance and assist with the resolution process. They are also the resource for history, information and clarification of the rules, motions, and resolutions for the AHA Staff, Board of Directors, members and volunteers. They work with Agenda & Resolutions Committee to format and recommend wording for resolutions which are submitted by committees/commissions/regions/member organizations (clubs). They process all Ethical Practice Review Board complaints and all returned instrument suspensions requested by AHA recognized competitions or member organizations.

The Competition area has the responsibility for handling, processing, entering, updating, and monitoring all paperwork and records for the AHA Programs. They set batch deadlines and monitor all departments to see that they are met so that financials can be produced as quickly as possible. They track AHA Award Programs and send appropriate items when they are achieved. They process all prize money pay-outs within the deadlines and send to accounting for timely mailing.

They assist the Agenda & Resolutions, AHA Futurity Commission, Awards, Competitions Advisory, Ethical Practice Review Board, Probable Cause Panel, Arabian Breeders Sweepstakes, Bylaws, Distance Riding, USEF Arabian Division and Working Western.

MARKETING

COMMUNICATIONS TEAM

The Communications Department serves as the in-house, comprehensive public relations arm for AHA. This department is responsible for some of the articles in the Arabian Horse Magazine, press releases, creating material for the AHA web site and the creation and content of the email blasts.

EDITORIAL TEAM

The Editorial Team is responsible for the content of the Arabian Horse Life Magazine, selling the display ads, the layout of the programs and omnibus for the national shows, layout of the AHA Handbook and the classified ads for the magazine and the tie-in ads on the web site.

MARKET DEVELOPMENT TEAM

The Marketing Team has the responsibility of assisting the Market Development and Promotion Committee in formulating plans for specific marketing and promotional activities and preparing documentation for the soliciting of funds from the Purebred Arabian Trust and/or the designated or general fund of AHA. This area promotes existing AHA programs to further enhance participation numbers and revenue. They are also responsible for the design and production of all printed materials including brochures and other marketing pieces. They also manage, coordinate and produce the Annual Convention, while selecting and negotiating future convention sites. They work with the Market Development & Promotion Committee and the Annual Convention Planning Committee.

EVENT SALES TEAM

The Event Sales Team sells the space for the trade fairs at the National events (the society of patrons, class sponsors, award contributors, farm flag program and admissions). This area also has the responsibility of developing AHA sponsorships along with fulfilling contracts and expanding AHA revenue by developing relationships with suitable internet sites.

YOUTH PROGRAMS TEAM

The Youth Programs staff is responsible for creating and coordinating all youth programs: the judging contest at U. S. Nationals, the youth team tournament and the youth of the year. They assist with the youth newsletter, Generation Equus, the Arabian Horse Youth Association (AHYA), the activities that take place at the Youth Nationals and fundraising efforts for youth programs. They interact with the AHYA Organization, Youth Committee and Equitation/Showmanship Committees.

JUDGES & STEWARDS OFFICE

JUDGES & STEWARDS TEAM

The Judges and Stewards Department primarily consists of the office of the Judges & Stewards Commissioner and Commissioner's Assistant. The Commissioner is responsible for the overall administration, monitoring, discipline and education of the licensed judges and stewards who appear on the AHA approved list of accredited judges and stewards. They also insure that the intent of Resolution 5-90, with its amendments, is carried out effectively in accordance with the directions provided by the Executive Committee, policies of AHA and within established financial constraints. They assist the Commissioner's Review Panel, the Education/ Evaluation Commission, the Judges & Stewards Selection, and the Judges & Stewards Steering Committee.

AHA Financials

HOW TO READ A FINANCIAL STATEMENT

The following narrative briefly explains the nature and/or composition of each line item on the Statement of Financial Position and Statement of Activities for AHA.

STATEMENT OF FINANCIAL POSITION:

CASH is comprised of money that is generally kept in interest-bearing money market accounts. AHA currently has sixteen bank accounts which are used to segregate cash related to AHA's many separate programs and off-site event productions.

CASH INVESTMENTS are those vehicles used to segregate cash not needed in the immediate future so as to secure the highest possible returns within the conservative guidelines set forth for investment. AHA currently has approximately eight investment accounts that are used to segregate funds related to separate programs. These portfolios are managed by Merrill Lynch Funds and US Bancorp. All cash investments are stated at fair value in accordance with Statement of Financial Accounting Standards (SPAS) No.124, Accounting for Certain Investments Held by Not-For-Profit Organizations.

INTEREST RECEIVABLE represents the amount of interest earned on cash investments but not yet received. Actual interest payments are typically received monthly or semiannually for individual investments.

TRADE ACCOUNTS RECEIVABLE is comprised of the net amounts owed to/from AHA for work submitted with incorrect payment. Also included are items that are traditionally billed to customers, such as *Arabian Horse Life* advertising, show late fees, NSF charges and fees, etc. This receivable balance reflects a reduction for an estimate of the amount that is considered uncollectible.

NOTES RECEIVABLE consists of balances due on deferred billings received from participants in the Breeders Sweepstakes program. This receivable balance reflects a reduction for an estimate of the amount considered uncollectible.

INVENTORY includes trophy orders which are contracted for and substantially completed as of the financial statement date.

PREPAYMENTS represent those items for which AHA has purchased services for a future period. Included are the business insurance policies and service/maintenance contracts with prepayment terms. The cost of these items is then recognized evenly over the period of the policy or service contract.

PROPERTY AND EQUIPMENT includes all capital assets owned by AHA. A subsidiary ledger is maintained which itemizes the assets into the following categories: Furniture; Equipment; Computer Equipment; Software; Films; Building; Building Improvements; Land, and Land improvements. The amount shown is net of accumulated depreciation.

ACCOUNTS PAYABLE represents those liabilities occurring in the general function of paying vendors for expenses incurred.

ACCRUED LIABILITIES are comprised of accumulated unpaid payroll expenses and pension contributions.

DEFERRED REVENUE is comprised of membership dues and event receipts, which have not been recognized as revenue yet.

Membership revenue is recognized evenly throughout the membership year, thereby reducing the deferred revenue amount. Also included are any receipts in the current fiscal year for events to be held in the next fiscal year. Therefore, expenses paid within one fiscal year may relate to past shows as well as future shows. These items are isolated to their specific events in other reports provided by Accounting such as the supplemental schedule entitled State of Activities and in explicit detail in internal Job Cost reports. Also included in this line item are the costs of operating the national Shows department.

OBLIGATIONS TO PRIZE MONEY PROGRAMS represents the total obligations to prize money program recipients as of the financial statement date. The \$###,### shown in the Operations column represents the obligation to the prize money program participants related to uncollected promissory notes receivable. The \$###,### shown in the Prize Money Programs column is a combined figure representing the current and future obligations to prize money program participants related to currently held program assets.

UNRESTRICTED, UNDESIGNATED NET ASSETS is the accumulated excess of revenue over expenses which has not been designated for a specific purpose by the AHA Board of Directors. Financials are confidential to the Board, Budget & Finance, and AHA Senior Management except where approved in part or whole by the AHA President or EVP.

UNRESTRICTED, DESIGNATED CONTINGENCY NET ASSETS is the amount set aside by Board action to be used for (1) legal defense of AHA, (2) collateralizing AHA loans, and (3) major capital purchases.

UNRESTRICTED, DESIGNATED EDUCATION/EVALUATION FUND BALANCE is the accumulated excess of receipts over expenses for those programs under the control of the Judges & Stewards Commissioner as set forth in Resolution 9-90.

UNRESTRICTED, DESIGNATED MAJORITY OPINION SYSTEM SCORING NET ASSETS is the accumulated excess of receipts over expenses for Majority Opinion System scoring program as set forth in Resolution 45-00. A portion of these net assets have been invested in scoring education.

TEMPORARILY RESTRICTED NET ASSETS are those assets which may only be used according to specific donor imposed stipulations.

PERMANENTLY RESTRICTED NET ASSETS consist of life memberships for which the principal will be maintained in perpetuity. The interest earned on life membership payments is recognized as unrestricted revenue available for the support of AHA operations.

STATEMENT OF ACTIVITIES:

HORSE SHOWS REVENUE includes all revenue items associated with the U.S. Nationals, Canadian Nationals, Sport Horse Nationals and Youth Nationals, that occur within the fiscal year. This revenue includes such items as entries, commercial exhibits, admissions, patrons, program/prize list advertising, etc. For example, the Fall 2013 shows actually occurred in the fiscal year labeled FY 2014 and the Fall 2014 shows occur in the fiscal year fiscal year labeled FY 2015.

MEMBERSHIP REVENUE is recognized evenly throughout the fiscal year. The amount recognized each month is adjusted each December and March to allow for membership level increases and decreases. All receipts of membership dues are accumulated in the deferred revenue account, which appears on the Statement of Financial Position until recognized at the even monthly rate. (Also see previous discussion of deferred revenue.)

SERVICE FEES represent fees collected by AHA to allow participation in the variety of programs offered. Included in this broad description are the following revenue items:

- Registration fees, transfer fees & administrative fees
- Halter Futurity administrative fees
- Sweepstakes administrative fees
- Single event membership fees payable to AHA
- Achievement awards enrollment & administrative fees
- Show recognition fees
- Distance program - enrollment & administrative fees
- EPRB filing fees
- Convention registrations & meal purchases

JUDGES PROGRAM FEES include registration fees for the Judges Schools, Seminars and Evaluations as well as those fees associated with Resolutions 9-90 (Judges Commissioner) and 45-00 (MOS Scoring).

BREEDERS SWEEPSTAKES INTEREST represents all interest earned on Sweepstakes cash and investments, which are unrestricted and is used to fund AHA operations.

OTHER INTEREST represents interest earned on cash and cash investments other than Sweepstakes cash and Sweepstakes cash investments.

ADVERTISING REVENUE includes revenue from advertisements in *Arabian Horse Life* as well as special projects such as prize lists, calendars and magazine inserts. This amount includes advertising receivables, which have not yet been collected by AHA.

SPONSORSHIPS/DONATIONS AND FUNDRAISING revenue is comprised of contributions for youth programs, general corporate sponsorships and other unspecified contributions.

MERCHANDISING REVENUE includes receipts from mailing labels; and AHA book, pin, and decal sales, etc. In keeping with typical practice of nonprofit organizations, the costs of these items are offset against the revenue in this one line item.

OTHER REVENUE consists of royalties, receipts from the semen transport program, and other immaterial, nonrecurring types of receipts.

NET ASSETS RELEASED FROM RESTRICTIONS recognize that donor stipulations for use of these assets have been satisfied during the reporting period.

EVENTS AND SHOWS PROGRAM EXPENSES include all expenses incurred within the reporting period that are directly associated with the U.S. Nationals, Canadian Nationals, Sport Horse Nationals, Youth Nationals and Convention. Therefore, expenses paid within one fiscal year may relate to past shows as well as future shows. These items are isolated to their specific events in other reports provided by Accounting such as the supplemental schedule entitled Statement of Activities-and in explicit detail in internal Job Cost reports. Also included in this line item are the costs of operating the National Events department.

MEMBER SERVICES PROGRAM EXPENSES include the expenses of operating and record keeping for the Breeders Sweepstakes and halter Futurities programs, as well as the Arabian, Half-Arabian & Anglo-Arabian Horse Registries, membership rosters, achievement awards, trail rides, show recognition, show results and national show entries.

SALES AND MARKETING include the expenses associated with operating the sales, public relations and marketing programs, and the cost of producing *Arabian Horse Life*.

JUDGES PROGRAM EXPENSES include the costs associated with the operation of the Judges & Stewards Commissioner's office and those related responsibilities of Judges Schools, Seminars and Evaluations as well as all related committees. Also included here are the costs of the MOS Scoring system.

RESEARCH AND EDUCATION EXPENSES consist of scholarships paid in the reporting period.

GENERAL ADMINISTRATION SUPPORT SERVICES include the cost of all functions within AHA which support current and future programs. Support departments include Accounting, Human Resources, Office Services, Information Technology, and the Executive function. Within these departments fall the expenses of operating the whole of AHA such as legal costs, business insurance, office rent and overhead, taxes paid, tax and audit preparation fees, support services, payroll, asset depreciation, computer and office equipment maintenance, general committee and Board expenses, etc.

MEMBERSHIP DEVELOPMENT SUPPORT EXPENSES include all expenses associated with the membership and youth development departments including personnel costs.

THE UNREALIZED GAIN/(LOSS) ON INVESTMENTS indicates the change in fair (market) value, from the prior year, of cash investments held by AHA as of the financial statement date.

Programs & Promotions

ARABIAN BREEDERS SWEEPSTAKES (ABS) PROGRAM

The Arabian Breeders Sweepstakes (Sweepstakes) was introduced by AHA to promote the Arabian horse, elevate its stature in the horse industry, provide a financial incentive for the breeding of Arabian horses, and broaden the income base of AHA. Rules and Regulations which define the terms and conditions under which persons and horses may participate in the Sweepstakes are found in the current AHA Handbook.

NATIONAL BREEDING / IN - HAND FUTURITY PROGRAM

The U.S. and Canadian National Futurities are progressive programs for showing Breeding/In-Hand three-year-old Arabian colts, fillies, and geldings, and Half-Arabian fillies and geldings owned by a member of AHA. A foal is nominated in-utero and re-nominations are made through the weanling, yearling and two year old years. The horse is then entered into either Canadian or U.S. Nationals (or possibility both) in the Halter Futurity classes and competes for a share of the prize money pot. Newly instituted buy back program for horses original enrolled to come back into the program if a payment had been missed.

NATIONAL PERFORMANCE FUTURITY/MATURITY PROGRAM

The Performance Futurity is for 3 year old Arabian, Half-Arabian/ Anglo-Arabian performance horses shown in English Pleasure, Western Pleasure, Hunter Pleasure, and 5 year old and under Arabian, Half-Arabian/Anglo-Arabian Reining, Working Cow, Cutting and Trail Horses. The Performance Maturity AAOTR is for 4 or 5 year old Arabian, Half-Arabian/Anglo-Arabian Western or Hunter Horses and 5 or 6 year old Arabian Reining Horses or Arabian, Half-Arabian/Anglo-Arabian County English or English Pleasure Horses. Performance Maturity AAOTR Cutting is for horse ages 7 and under for both the Arabian and Half-Arabian/Anglo-Arabian.

HORSE ACHIEVEMENT AWARD PROGRAM

This premier recognition program honors horses by adding symbols of prestige to their name. Industry wide, it's the only program that

immediately identifies your horse as one with significant accomplishments. Horses earn points for competing and placing in AHA-recognized events, including:

• Breeding/In-Hand Classes • Performance Classes • Competitive Trail Rides • Endurance Rides • Arabian Racing • Dressage • Eventing • Gymkhana • Carriage Pleasure Driving • Combined driving Events/Trials

A specific number of points and combination of classes is required for each level. Once the horse earns the minimum number of points specified for that level, AHA sends a handsome display plaque and an official confirmation letter and an announcement is placed in the *Arabian Horse Life*.

AMATEUR ACHIEVEMENT AWARD PROGRAM

This recognition program honors amateurs in the same manner as the Horse Achievement Award program noted above.

HIGH POINT OF THE YEAR HORSE ACHIEVEMENT AWARD

Uses the tables and point system of the Horse Achievement Award program. Awarded to the horse with the highest points accumulated from the date of enrollment or renewal (January 1 or later, through December 31). A top ten will be recognized, however, once a horse has earned the "Champion" spot it can no longer participate.

HIGH POINT OF THE YEAR AMATEUR ACHIEVEMENT AWARD

Uses the tables and point system of the Amateur Achievement Award program. Awarded to the Adult/Youth with the highest points accumulated from the date of enrollment or renewal (January 1 or later, through December 31). A top ten will be recognized, however, once an Adult or Youth has earned the "Champion" spot they can no longer participate. Two sets of awards are given, one for the Top Ten Adults and one for the Top Ten Youth.

INCENTIVE RIDING PROGRAMS

These are on-line programs for Frequent Rider, Competitive Distance and Open-Event Incentive participants to achieve milestones and awards for riding your horses. Procedures and criteria will be found on-line at the AHA website.

Recognition Awards

PRESIDENT & DIRECTOR RECOGNITION AWARDS

EARL E. HURLBUTT PRESIDENT'S AWARD

This award is given in honor of the first President of IAHA who served from 1950 to 1955 and was instrumental in the development of the Charter and Bylaws for the Association. Outstanding contributions by an individual to the Arabian breed and/or exceptional service to AHA benefiting all its members is what this award recognizes. The President of AHA selects the recipient of this award.

DIRECTOR'S AWARD

This prestigious award recognizes the member(s) of AHA who has made significant contributions in any of the copious activities that AHA encompasses that are worthy of special recognition. Each of the Directors, and the Executive Committee selects the recipient of this award by casting their vote. The recipient must receive 18 votes from you and your fellow members of the Board.

EQUINE RECOGNITION AWARDS

AHA/USDF ALL BREED DRESSAGE AWARD PROGRAM

This award recognizes Arabian, Half-Arabian/Anglo-Arabian horse(s) and their riders for outstanding scores earned through AHA Recognized Shows or USEF/EC Open Shows. Participants must enroll each year with AHA and must declare "Arabian/Half-Arabian/Anglo-Arabian" as their breed with USDF.

AMBASSADOR AWARD

This award is to recognize the Arabian, Half-Arabian or Anglo-Arabian horse(s) for outstanding achievement in representing the Arabian horse to the general public. To be eligible the horse must have achieved a unique accomplishment(s) that showcase(s) our breed.

COMPETITIVE TRAIL RIDE AWARDS

AHA offers annual year-end awards to distance riding organizations for the High Point Arabian and the High Point Half-Arabian/Anglo-Arabian Competitive Trail Horses within that organization. A list of the current CTR organizations eligible to apply for these awards can be found in Chapter 19 of the AHA Handbook

DISTANCE HORSE PROGRAM

This program provides recognition for horses that reach mileage goals in endurance and/or competitive trail. Awards begin at 500 miles, at which time AHA sends a perpetual plaque engraved with the horse's name and registration number. Owners receive a brass plate mileage marker for each additional 500 miles reached.

DISTANCE HORSE OF THE YEAR AWARD

This award is to recognize the significant accomplishment of an Arabian, Half-Arabian or Anglo-Arabian horse in the distance sports. As this is a special significant recognition award there may be years when there is not a recipient.

ENDURANCE RIDE AWARDS

AHA offers annual year-end awards to the American Endurance Ride Conference (AERC) highpoint Arabian and to the highpoint Half-Arabian/Anglo-Arabian in the middle distance category of 50-99 and in addition to the 100 mile category.

OPEN COMPETITION AWARD

This award is to recognize the Arabian, Half-Arabian or Anglo-Arabian horse(s) for outstanding achievement in representing the Arabian horse for community in the areas of Open Competition. To be considered for this award the horse must have acknowledged and promoted the fact that they are a representative of the breed in some form; publications, demonstrations, or other public forums. The cost of the trophy will be covered by sponsorships, if monetary support is not provided in any given year, the award will not be presented.

MEMBER RECOGNITION

CERTIFICATE OF APPRECIATION

These certificates are used by AHA committees who wish to give a formal "Thank You" to those outside the AHA membership body.

VOLUNTEER SERVICE AWARD

The Selection Guidelines for Member Organization, Regional and/or National level awards may be used for each level and adjusted appropriately. This award is to be given to a member that has contributed significant service, made significant contribution, promoted the breeds in some manner, promoted the Member Organization, the Region and/or AHA by volunteering their time, expertise, or resources or made a unique or creative contribution.

MEMBER ORGANIZATION LEVEL AWARDS

The Member Organization should decide the manner in which the Member Organization will select the recipients (i.e., Executive decision, Selection Committee, etc.). The number of awards per Member Organization depends on the number of adult AHA members in that Member Organization. If a Member Organization has 100 or less, then the Member Organization may select one recipient. Should the Member Organization have more than 100, the Member Organization may select up to two recipients.

After selection of Member Organization level recipients, the Member Organization will forward the winning nomination form for each recipient to AHA, either postmarked/electronic transaction dated or faxed by September 15. AHA will distribute letters of congratulations, award certificates, and lapel pins to the winners. The certificate will state the Member Organization name as well as the name of the recipient.

REGIONAL LEVEL AWARDS

Each Member Organization should select two nominations to send to you as Regional Director for the Regional level. These two nominations do not need to include those recipients at the Member Organization level, but may include them if deemed appropriate. Prior to receipt of nominations from Member Organizations, you will need to decide how the selection of the two Regional recipients will be made (i.e., executive decision, selection committee). The person(s) in charge of handling this program for each Region will need to notify the AHA office of the Regional recipients, postmarked/electronic transaction dated or faxed by October 31. The certificates will state both the region's number and the recipient's name. Letters of congratulations, award certificates and lapel pins will be given out during a ceremony at the AHA Annual Convention.

NATIONAL LEVEL AWARDS

The National Level Award nominations must be generated from Member Organizations, Regional recipients, original nominations suggested by you as the Regional Director, appointed person or President or Executive Board of AHA. The designated person(s) from each Region may forward up to three nominations and must be postmarked/electronic transaction dated or faxed by October 15.

The President of AHA (or any designated person[s]), upon receipt of the nomination forms will make a selection of National level recipients to be awarded at the AHA Annual Convention. The number of National recipients will be approximately 25. This allows at least one recipient per region, plus any additional individuals that the President or Executive Board of AHA deems deserving. The National recipients will receive a brass and wood plaque and lapel pin at the AHA Annual Convention.

MEMBER ORGANIZATION RECOGNITION

AHA CLUB EXCELLENCE AWARD PROGRAM

The Award categories are as follows:

- **BREED PROMOTION/COMMUNITY INVOLVEMENT**

This category may include any outreach activity that goes beyond the Arabian Horse Community. Examples: farm tours, demonstrations at all-breed events, clinics for 4-H, FFA, Boy Scouts, Parades, and mini-seminars.

- **MEMBERSHIP RECRUITMENT OR RETENTION**

This category may include membership recruitment and retention campaigns. There are many ways to measure success: by saving money, recruited more members, lost fewer members, or increased member participation.

- **CLUB PROJECTS**

Club Projects category includes projects that are specific to that individual club and its members. Examples: trail ride, fun class at the horse show, stallion service auction.

All entrants will receive a certificate of participation. All awards will be presented at the AHA Annual Convention. First place will be named in each category and awarded a certificate. Club of the Year will be given a special award. The Club of the Year award will be selected from the first place winners in each category. All first place winners are eligible for Club of the Year.

MEMBER AWARD PROGRAMS

DRESSAGE RIDER AWARD PROGRAM

After enrollment, riders are eligible for an award when they earn two or more scores of 60 percent or better from two separate rides and two different judges. Only scores earned after enrollment are eligible to count. The show secretary reports scores earned at AHA-Recognized shows. Riders report scores from open shows on official Open Qualifying Show/Event Results Form. Certificates are awarded for Training Level, and certificates and lapel pins are awarded for First through Fourth Levels.

Other Items

MERCHANDISE

AHA has contracted unique vendors to develop, advertise and sell AHA logo wear and National Show merchandise. This merchandise can be found at our National Shows, through your local tack shops and will be linked to the AHA web site. Included are jackets, sweatshirts, tees, caps and etc.

ADVERTISEMENTS

You can advertise your farms, businesses and horses through our *Arabian Horse Life*, our National Show prize lists, show programs and on the AHA web site. There are many packages available to you, just contact the AHA Ad Sales Manager.

Show Me the Paperwork!

FORMS - **Denotes Interactive Forms that can be utilized on-line with a credit card.*

MEMBERSHIP APPLICATION*

Includes:

- Membership Application (all categories)
- Amateur Achievement Awards
- Dressage Rider

REGISTRATION

Arabian:

- Registration Application
- Transported Stored Semen Certificate & Permit
- Embryo/Oocyte Certificate & Permit
- DNA Request

Half-Arabian & Anglo-Arabian:

Registration Applications
DNA/Blood Typing Request

COMPETITION RECOGNITION

Event Recognition Application Form*

Includes:

Qualifying & Regional Shows
Endurance & Competitive Trail Rides
Regional End & CTR

NATIONAL EVENTS

Youth Nationals Information/Prize List/Entries*
Canadian Nationals Information/Prize List/Entries*
Sport Horse Nationals Information/Prize List/Entries*
U.S. Nationals Information/Prize List/Entries*
Annual Convention Information
National Endurance Ride Information
National Competitive Trail Ride Information
AHA Trail Rides Information

HORSE ENROLLMENT APPLICATION*

Includes:

Breeders Sweepstakes Entries
Sweepstakes Point Enrollment
Achievements Awards
Dressage All Breeds Award
Open Qualifying Enrollment
Distance Enrollment

IN-UTERO FOAL PROGRAM APPLICATION*

Includes:

Sweepstakes Breeding Entries
US & Canadian Breeding & In-Hand Futurities

OPEN QUALIFYING SHOW/EVENT RESULTS FORM

Includes:

Dressage, Working Hunter, Jumper, Endurance, Hunter Hack, Eventing, Competitive Trail, Cutting

PERFORMANCE FUTURITIES

Performance Futurity Information & Form

EQUITATION MEDAL ORDER FORM

YOUTH ACTIVITIES*

Judging Contest Entry Form
Regional Youth Team Tournament Entry Forms
Youth of the Year Application

GENERAL INFORMATION

Promotional Information for AHA Clubs, Events & Shows*
Parts of the Horse/Skeleton Information Sheet
Arabian Home Study Program Information
AHA Merchandise Order Form
Educational Booklet Order Form

INCENTIVE RIDING ON-LINE PROGRAMS*

Includes:

Frequent Rider
Competitive Distance
Open Event Incentive

ARABIAN HORSE DATASOURCE*

On-Line Search Tool for:

Over 675,000 U.S. Arabians
Over 371,300 Half-Arabian/Anglo-Arabians
Over 405,000 Foreign Registered Horses
View Full Pedigrees
Progeny Listing

Events—Shows & Rides

WHAT'S HAPPENING?

Event dates (Youth, Canadian, Sport Horse, U.S., Competitive Trail and Endurance Nationals, AHA Annual Convention) can be found on the inside back cover of the current *AHA Handbook* and the AHA website. AHA Board meeting dates are determined at the August Board of Director meeting and are in the board minutes. Committee meeting dates are determined by the Chairs and notice is given to the members.

Help to Put It All Together

CURRENT AHA HANDBOOK

The AHA Handbook has the AHA Bylaws and the rules for show, events, and programs. Also you will find the Committees and names and addresses of all committee members, the Regions and their Member Organizations with the contact person for each. There is a Fee Chart in the back of the Handbook for a quick reference of fees and deadlines for most of the AHA programs and an Index to help you find it all.

ACTIVE RESOLUTIONS MANUAL

This Manual has all the Resolutions that are active from 1967 forward. These rules must be amended or rescinded by Resolution. Rules not in this Manual were passed by the AHA Board of Directors and can be changed by the Board. In addition, a Board Motion manual is currently being developed.

BOARD MINUTES

These are the minutes of each Board meeting and of the Annual Convention meeting of the corporation and are kept in an official format in the Corporate Books for future reference (BOD minutes from 2003 to current can be found on the website).

AHA WEB SITE

The AHA Web Site has hot news for AHA members and forms to download for quick entry into AHA programs. The latest statistics for the High Point Achievement Horse and lots of other information is available at the click of a mouse.

AHA BUDGET

The AHA Budget is initiated by the AHA Department Senior Directors and their staff with strategic guidelines from the Board of Directors. The Budget & Finance Committee thoroughly reviews the budget and makes further recommendations to the Board of Directors before the final approval, usually at the first Board of the year. This budget provides focus for the following fiscal year.

ARABIAN HORSE ASSOCIATION POLICIES

(Addendum to Board Reference Manual)

POLICIES TO GOVERN THE BUSINESS OPERATIONS OF AHA

TABLE OF CONTENTS

Category I: Ends

Policy 1.0 AHA Ends Policies

Category II: Management Limitations

Policy 2.0 General Management Constraint
2.1 Treatment of Members
2.2 Treatment of Staff/Volunteers
2.3 Financial Condition and Activities
2.4 Asset Protection
2.5 Financial Planning/Budgeting
2.6 Investment Management
2.7 Emergency EVP Succession
2.8 Compensation & Benefits
2.9 Communication and Support to the Executive Committee/Board of Directors

Category III: Board-Management Delegation

Policy 3.0 Governance-Management Connection
3.1 Unity of Control
3.2 Accountability of the EVP
3.3 Delegation to the EVP
3.4 Monitoring EVP Performance

Category IV: Governance Process

Policy 4.0 Governance Commitment
4.1 Governing Style & Values
4.2 Executive Committee Job Description
4.3 Agenda Planning
4.4 President's Role
4.5 Executive Committee Members' Code of Conduct
4.6 Governing Committees
4.7 Governing Committee Principles
4.8 Governance Budget

POLICY 1.0

POLICY TITLE: ENDS POLICIES

1.0 Global Ends Statement:

*AHA exists for
Growth in the Number of People Having
A Passion to Own and Enjoy the Arabian Horse*

(Not reflecting any order of priority)

- 1. There is growth in the interest in and demand for the Arabian Horse.*
- 2. The integrity of the breed is preserved.*
- 3. There is increased participation in activities involving the Arabian Horse.
A. There is growth in the membership of affiliated clubs.*
- 4. The equine industry and general public recognize and value the attributes of the Arabian Horse.*
- 5. Members have services and benefits that are valuable and convenient.*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.0

POLICY TITLE: GENERAL MANAGMENT CONSTRAINT

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

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.1

POLICY TITLE: TREATMENT OF MEMBERS

With respect to interactions with AHA members, or those applying to become members, the EVP shall not cause or allow conditions or procedures that are unfair, unsafe, untimely, undignified or unnecessarily intrusive.

Accordingly, he/she shall:

- 1. Ensure that AHA does not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origins (ancestry), disability, marital status, sexual orientation or military status, in any of its activities or operations. We are committed to providing an inclusive and welcoming environment for all members and volunteers. (BOD 8/16, 11/16)*
- 2. Ensure that members/customers are treated with respect and courtesy.*
- 3. Ensure that new members are placed in the appropriate membership categories.
A. Encourage club affiliation*
- 4. Help to enable members to benefit from club membership.*

5. *Not Collect, review, transmit, store nor destroy member information in a manner that fails to protect against improper access to that information/data.*
- A. *AHA considers records and financial information submitted to AHA to be confidential between the party and AHA. Copies of records and/or information are only released back to the person or party submitting the documents and only to the address recorded at AHA or listed on the paperwork received, with the following exceptions:*

B.

INFORMATION WE WILL GIVE OUT

Arabian, Half-Arabian and Anglo-Arabian Horse Registries Information

- | | |
|--------------------------|-----------------------------------|
| • Horse Name | • Sire |
| • Registration Number | • Sire Registration Number |
| • Owner Name and Address | • Dam |
| • Foal Date | • Dam Registration Number |
| • Color | • Castration Date (if applicable) |
| • Markings | • Breeder Information |
| • Sex | • Transfer Information |

Membership

- Current AHA Membership Number (to Show Officials or Member Organization regarding their own members)
- Current AHA Member street address
- Telephone numbers and e-mail addresses **ONLY** for the following

- Board of Directors	- AHA recognized Arabian Judges & Stewards
- Regional Officers	- Event Secretaries
- Committee Chairs	- Event Managers
- Committee Members	- Youth Board of Directors
- Club Contacts	- Youth Committee Chairs
- Commercial Exhibitors	- Youth Committee Members
- Advertisers	

Programs/Events/Shows

- Verify entries in AHA Events
- Verify horse enrollment in AHA Programs
- Sweepstakes Payment Information on Status of Prize Money Payout

C.

INFORMATION WE WILL NOT GIVE OUT

Member Telephone Number (except as listed above)

Member Email Addresses (except as listed above)

Member Social Security numbers

Membership

- Multiple AHA Members' Addresses (must purchase labels – forward request to AHA)
- AHA Account Balances/Invoices/Statements/Delinquent Notices/Collection Notices (refer all requests for information to Accounting Dept.)

Employee (Past/Present) Information

- Requests for Employment Information (refer all questions to Human Resources Dept.)

D.

Non-Standard Information

Written Request Required

Board, committee and/or member requests for additional information must be submitted in writing to the EVP for evaluation. All requests should be made in good faith and for a proper purpose. The request should describe with reasonable particularity the purpose for the request and the records the member desires to inspect. Requests should not violate any individual's right to privacy or due process and may require a court order or subpoena.

Appeal Procedure

If the EVP denies the request, the member may appeal the decision by sending the request to the Executive Committee for review at its next scheduled meeting. If the Executive Committee denies the request, the member may appeal that decision by sending the request to the AHA Board of Directors for review at its next regularly scheduled meeting. The BOD decision is final.

Associated Costs

AHA may impose a reasonable charge covering the costs of labor and material to produce any large copy project as a result of an information request.

- 1. Communicate to members a clear understanding of what AHA membership entitlements may be expected from the services offered.*
- 2. Ensure a process for timely response to complaints.*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.2

POLICY TITLE: TREATMENT OF STAFF/VOLUNTEERS

With respect to the treatment of volunteers and employees, the EVP shall not cause or allow conditions that are unsafe, unfair or undignified.

Accordingly,

- 1. Pertaining to volunteers, the EVP shall ensure that volunteers are informed of and execute agreements specifying mutual expectations and consideration.*
- 2. Pertaining to employees, the EVP may not:*
 - A. Operate without a written personnel manual, approved by legal counsel, that clarifies personnel rules for employees, provides for effective handling of grievances, and protects against wrongful conditions.*
 - B. Fail to acquaint staff with this policy.*
 - C. Allow staff to be unprepared to deal with emergency situations (e.g. – fire, tornado, etc.)*
- 3. Pertaining to employees and volunteers, the EVP may not retaliate against an employee/volunteer for reporting to management or to the Executive Committee acts or omissions by AHA personnel, management or the Executive Committee or Board of Directors that the employee/volunteer believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Executive Committee.*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.3

POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES

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

Accordingly, the EVP shall not:

1. *Expend more funds than have been approved in the budget as established by the BOD.
 - A. *The EVP may not incur any organizational indebtedness, with the exception of use of credit cards used for normal business purchases, which must be paid off on a monthly basis.*
 - B. *Lease agreements and other asset purchases done on time may occur with the approval of the Executive Committee.**
2. *Fail to settle payroll obligations and payables in a timely manner.*
3. *Use restricted or designated funds for purposes other than stated.*
4. *Fail to maintain specific reserve fund balances as follows:
 - A. *Legal defense fund, or*
 - B. *Major capital items/replacement fund, or*
 - C. *Any other fund from time-to-time approved by the Executive Committee/Board of Directors.**
5. *Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.*
6. *Acquire, sell, encumber, or dispose of Headquarters building or any other material assets without Board of Director approval.*
7. *Fail to aggressively pursue material receivables within A/R policy as approved by the Executive Committee.*
8. *Fail to exercise adequate internal controls over receipts and disbursements to avoid unauthorized payments or material depletion of assets.*
9. *Fail to manage procurement procedures in conformance with Procurement Purchase Policy approved by the Executive Committee.*
10. *Fail to ensure that the valuation of assets is accurately recorded.*
11. *With the approval of the Executive Committee, be authorized to utilize up to \$200,000 from the Cash Reserve Account (rainy day fund) for general cash needs between January 1, and June 30 to cover short term cash flow issues, to be paid back by the August Board meeting in which the funds were used. (BOD 03/14)*
12. *The legal defense will be maintained at a balance of \$150,000. In the event of a legal defense funding need the "first out" monies come from the temporarily restricted portion of the account balance. (BOD 03/14)*
13. *The Cash Reserve Account can be used for short term loans, at no interest, to the AHA general fund*

for the designated purposes in an amount determined by a two-thirds vote of the board of directors. Repayment of all funds loaned to the AHA general fund from Cash Reserve Account must begin no later than six months after the original disbursement of funds from the Cash Reserve Account (i.e. first repayment due in disbursement month plus six months). Repayment terms will be no less than \$15,000 per month until all monies have been repaid. BOD may adjust the repayment amount higher based on the organization's cash position. (BOD 03/14)

- *The current contingency funding policy shall be applied to the ongoing funding of the Board Designated Cash Reserve Account to ensure growth within the fund over time until the fund has a minimum balance of 1 million dollars at which time the Board may suspend further funding so long as the account balance continues to be 1 million dollars. (BOD 3/14)*
 - *The money in the Cash Reserve Account shall be maintained in a separate interest-bearing account with all of the interest accrued to the Cash Reserve Account. (BOD 3/14)*
14. *Refund amounts under \$25.00 will be retained for up to two (2) years. Refunds of \$25.00 or more and refunds under \$25.00 that have exceeded the two (2) year retention period will be issued annually unless a customer requests payment.(BOD 08/15)*
15. *The current cost of issuing wire transfers by AHA's bank, either domestically or internationally, will be subtracted from the payment requested by the customer/member/vendor. (EC 3/17)*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.4

POLICY TITLE: ASSET PROTECTION

The EVP shall not allow AHA's assets to be unprotected, inadequately maintained or unnecessarily risked and shall not endanger the Association's public image, its credibility, or its ability to accomplish Ends without the Executive Committee's approval (e. g.. – building upkeep that is unable to be funded such as carpet replacement, etc).

Accordingly, he or she shall:

1. *Maintain facilities and equipment from improper wear and tear or insufficient maintenance.*
2. *Employ risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.*
 - 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 associations.*
 - C. *Against employee theft and dishonesty, or through the provision of trust or surety bonds for officers and employees.*
3. *Enforce the conflict of interest policy approved by the Board of Directors.*
4. *Protect intellectual property, information and files from loss or significant damage.*
5. *Maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.*

6. *Receive, process and disburse funds to meet the Board-appointed auditor's standards.*
7. *Invest or hold operating capital in secure instruments or in interest-bearing accounts except where necessary to facilitate ease in operational transactions and manage long-term investments in accordance with the "Investment Management" policy (2.6).*
8. *Not change the name or logo of the Association, or of any of the major program components that are integral to AHA's brand without BOD approval.*
9. *Not dispose of any real property outside of maintenance and/or out-of-date guidelines.*
10. *A Staff Director can approve an invoice up to \$10,000
The EVP can approve an invoice up to \$25,000
The EVP and the President must both approve an invoice over \$25,000 (EC 5/16)*
11. *The Arabian Horse Association is authorized to maintain bank accounts and its President and Secretary are authorized and directed to execute standard form deposit agreements for each respective bank and accounts with the following persons designated as signature authorities:
President
Treasurer
Executive Vice President
Controller
Accounting Supervisor
Treasurer (facsimile stamp)*

The signature requirements are as follows;

Check signing authority limits:

\$.01 to \$2,499.00 One facsimile

\$2,500 to \$24,599 One facsimile and one manual

\$25,000 and above The President or EVP plus one manual from the signature authority list

Wire transfer authority limits are as follows;

Unlimited maximum amount per payment order within following transfer guidelines:

Between AHA accounts = one authorized representative

Outside AHA accounts = two authorized representatives

(EC 5/16)

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.5

POLICY TITLE: FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan without EC/BOD approval.

Accordingly, the approved budget prepared and utilized by the EVP shall not:

1. *Risk incurring those situations or conditions described as unacceptable in the Investment Management Policy 2.6.*
2. *Omit credible projection of revenues and expenses, separation of capital and operational items, cash*

flow projections, and disclosure of planning assumptions, demonstrating a three-year forecast as it relates to strategic (Ends) initiatives.

3. *Fail to provide adequately for reserve funds as set forth in the “Financial Condition and Activities” policy.*
4. *Fail to provide adequate funding for the functions of approved Show Commissions budgets.*
5. *Provide less for Board and Executive Committee activities and functions than is set forth in the Governance/Board Budget policy (see policy 4.8 in Governance Process).*
6. *That all requests for material changes in revenues or expenditures not considered in the budget are to be reviewed by the Budget & Finance Committee. The Budget & Finance Committee will submit to the Board of Directors its recommendation as to the appropriateness of the request. Material changes or expenditures will be defined as a budget variance being equal to or greater than 5% or \$15,000 of the negative net contribution to the project/event individual line item. Recognizing that there are circumstances that require emergency decisions, changes deemed as such, may be approved by the EVP or President within their authorization approval levels. (BOD 3/16)*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.6

POLICY TITLE: INVESTMENT MANAGEMENT

With respect to the management of Board-designated reserve/investment funds, the EVP shall not fail to manage such funds in accordance with the following Investment Guidelines which may be changed with Board of Director approval:

1. *Cash assets shall be invested only in certificates of deposit that are fully insured against loss by an agency of the Federal government or in securities that are issued by, and guaranteed by, an agency of the U.S. government. Such allowable investments include, but are not limited to:*
 - A. *Certificates of deposit with commercial banks or savings and loan institutions in amounts not in excess of the amount secured by insurance by an agency of the U.S. government.*
 - B. *U.S. Treasury bills and U.S. Treasury notes*
 - C. *Yankee certificates of deposit*
 - D. *Federal Home Bank Certificates, and*
 - E. *Federal Farm Credit Bureau Certificates*
2. *The maturity dates of any investments shall be monitored to insure that liquid funds are available when required.*
 - A. *Maturity dates. Maturity dates shall be managed so that budgeted cash outflows are covered by anticipated principal inflows and principal maturities.*
 - B. *Early redemption. Early redemption of investments is to be avoided whenever possible by appropriately managing maturity dates. When an early redemption is required, the selection process should be based on preservation of principal and the level of interest being earned by the various approved investments.*
 - C. *Investment parameters. Investment parameters should be defined by AHA management with the goal of making the necessity of an early redemption an improbable occurrence.*
3. *The priorities for individual investment decisions shall be as follows:*
 - A. *Priority #1. Preservation of Principal.*
 - B. *Priority #2. Ensuring adequate liquidity, as described in paragraph #2 above.*

- C. *Priority #3. Maximization of interest income.*
 - D. *Priority #4. Staggering of maturity dates and call dates (when applicable) to protect against interest rate volatility and call provisions.*
 - E. *Priority #5. Investment amounts will be limited to face values of \$500,000 or less to further limit interest rate exposure, call provision exposure and liquidity exposure within the portfolio unless approved by the EC.*
4. *In compliance with the foregoing, the EVP shall develop investment parameters for cash determined to be available for investment.*
 - A. *The investment parameters will be submitted to all investment consultants that have been approved by the EC, whole, except when:*
 - B. *The EVP shall select the investment deemed to best match the investment parameters submitted and authorize the execution of the investment transaction by the approved investment consultant that submitted the investment alternative.*
 5. *The Executive Committee shall review the recommendations for investment consultants submitted by the EVP and shall identify which of these investment consultants should be used in the bid process.*
 - A. *Not more than three investment consulting firms shall be utilized at any given time to ensure that the investment consultants involved have a sufficient stake in the process to encourage their best efforts, and to help ensure adequate and accurate record keeping and management of AHA assets.*
 6. *Non-cash assets – The Arabian Horse Association Board of Directors authorizes the creation of a non cash diversified investment account. The Account shall be limited to not more than thirty percent (30%) of the total funds currently held as cash or equivalents in one (1.) above. Sub accounts may be established to segregate funds as deemed necessary. The AHA President, with approval of the Executive Committee, shall establish an Investment Advisory Group. The Investment Advisory Group is to recommend to the Executive Committee an Investment Policy Statement (including risk tolerance for use in the Investment Policy) for investment of these Non Cash Arabian Horse Association Assets. (BOD 3/14)*
 7. *Arabian Horse Association investment guidelines are as follows:*
 - A. *AHA will continue with current broker Merrill Lynch as it meets the Association’s criteria for having a professional money manager, it is the lowest cost, and we have confidence in Merrill Lynch and all of the funds to be invested are currently in Merrill Lynch accounts.*
 - B. *The investment will be funded from the \$1.5M money market funds currently in the Sweepstakes account.*
 - C. *AHA will initially invest \$1M using the following schedule:*
 - *\$250K during the week of October 5, 2015*
 - *\$100K in each of the following weeks until we reach \$1M. Prior to making each weekly investment, Brad Short, Controller, will work with Merrill Lynch to evaluate the market for the best timing.*
 - D. *The money will be invested in the following Exchange Traded Funds (ETF’s) with the indicated percentages:*
 - *SPY: SPDR S&P 500 – 35%*
 - *SPLV: POWERSHARES S&P 500 LOW VOLITILITY – 35%*
 - *XLF: SPDR FINANCIAL – 15%*
 - *XLE: SPDR ENERGY – 15%*
 - E. *The AHA Investment Committee (appointed by the President) will review the investments prior to the Convention with the intent to provide the Board of Directors an update.*
 - F. *Future investments above the \$1M will be evaluated at a future date. (EC 4/16)*
 8. *Brad Short, Controller, is authorized to add the PFF (iShares US Preferred Stock)/ETF (Exchange*

Traded Funds) to AHA's list of approved investments and that the advice of AHA's Merrill Lynch advisor, can choose how to reinvest the available funds among all of the approved investments ETF's.(EC 4/16)

9. *The Arabian Horse Association is authorized to maintain a 401(K) investment benefit plan for its employees. The following personnel are hereby authorized to act as Plan Administrators and Plan sponsors:*

- *Executive Vice President*
- *Controller*
- *Director of Human Resources & Office Services (EC 4/16)*

10. *The AHA Budget and Finance Committee is charged with reviewing, at least yearly beginning with the end of the 1st quarter, the investments proposed by the approved investment consultants and the investment selections made by the management of AHA. The results of these periodic reviews and any recommendations are to be submitted to the Executive Committee at its next scheduled meeting, or sooner if deemed appropriate by the Budget and Finance Committee. (Handbook Chapter 5, CBP 116)*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.7

POLICY TITLE: EMERGENCY EVP SUCCESSION

In order to protect the Board from sudden loss of EVP services, the EVP shall ensure that at least one other member of the management team is sufficiently familiar with Board and EVP issues and processes to take over with reasonable proficiency as an interim successor. This will be reviewed each year at the first EC meeting following Jan 1st.

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.8

POLICY TITLE: COMPENSATION AND BENEFITS

The EVP shall not cause or allow jeopardy to the Association's fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants, volunteers or contractors.

Accordingly, he or she shall not:

1. *Change his or her own compensation.*
2. *Change his or her own benefits, except as his or her benefits are consistent with a package for all other employees.*
3. *Promise or imply anything other than "at-will" employment.*
4. *Establish current compensation ranges and benefits that deviate materially from the geographic and/or professional market value for the skills employed (using Mountain States Employer Council and/or ASAE salary surveys or comparable published entities).*
5. *Establish or change retirement benefits so as to cause unpredictable or inequitable situations.*
6. *Propose or implement any policies that are in violation of applicable laws and regulatory requirements.*

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.9 POLICY TITLE: COMMUNICATIONS & SUPPORT TO THE EXECUTIVE COMMITTEE/BOARD OF DIRECTORS

The EVP shall ensure the Executive Committee and Board of Directors are informed and supported in their work.

Accordingly, the EVP shall:

1. *Report to the Executive Committee, in a timely manner, an actual or anticipated noncompliance with any governing policy.*
2. *Submit monitoring data required by the Executive Committee (see Monitoring EVP Performance policy 3.4) on time and in an accurate and understandable fashion, directly addressing provisions of the governing policies being monitored.*
3. *Inform the Executive Committee of significant incidental information, including but not limited to, anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal changes. Notification of planned material internal changes is to be provided to Executive Committee members in advance, when feasible.*
4. *Advise the Executive Committee if, in the EVP's opinion, the Executive Committee or Board of Directors is not in compliance with governing policies on Governance Process and Executive Committee-Management Delegation, particularly in the case of Executive Committee, or Executive Committee member, behavior that is detrimental to the working relationship between the Executive Committee and the EVP.*
5. *Provide the Executive Committee with all the necessary decision making information required, and inform the Executive Committee of relevant trends.*
6. *Present information in a clear and concise manner (summary) ensuring detailed information is available if requested.*
7. *Provide support for official Executive Committee, Board, officer or committee communications and functions.*
 - A. *The EVP shall provide secretarial and administrative support who shall be responsible to the Executive Committee and Board of Directors for collating and distribution of Board and Executive Committee meeting agenda packets within the established deadlines; take the Minutes of Board and Executive Committee meetings, and provide administrative support for official Board and Executive Committee functions.*
8. *When addressing official Executive Committee business deal with the Executive Committee as a whole except when:*
 - A. *fulfilling individual requests for information, or*
 - B. *responding to officers or committees duly charged by the Executive Committee.*
9. *Supply for the Executive Committee's consent agenda, along with applicable monitoring information, all decisions delegated to the EVP yet required by law, regulation or contract to the Board or Executive Committee-approved.*
10. *Be responsible to develop a procedure to establish and provide metrics:*

- A. *detailing his/her performance with regards to governing policies being monitored by the Executive Committee.*
- B. *detailing departmental and/or organizational processes against established Ends (goals). These goals originate with the EVP bringing them to the Executive Committee.*

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.0 POLICY TITLE: GOVERNANCE - MANAGEMENT CONNECTION

The Executive Committee's official connection to the operational organization, its achievements and conduct will be through an Executive Vice President (EVP), titled "EVP".

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.1 POLICY TITLE: ACCOUNTABILITY OF THE EVP

The EVP is the only staff person accountable to the Executive Committee for operational achievement and conduct.

Accordingly:

1. *The Executive Committee shall not give instructions to persons who report directly or indirectly to the EVP.*
2. *The Executive Committee shall not evaluate, either formally or informally, any staff other than the EVP.*
3. *The Executive Committee shall view EVP performance as identical to organizational performance, so that organizational accomplishment of the Executive Committee's stated Ends and compliance with Board and Management Policy Limitations will be deemed successful EVP performance.*

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.2 POLICY TITLE: DELEGATION TO THE EVP

The Executive Committee shall instruct the EVP through written governing policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the EVP to use any reasonable interpretation of these policies.

Accordingly:

1. *The Executive Committee shall develop and maintain Ends policies instructing the EVP to achieve certain results, for and on behalf of 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 Executive Committee shall develop and maintain Management Limitations policies that limit the latitude the EVP may exercise in choosing organizational means. These policies will be developed*

systematically from the broadest, most general level to more defined levels. To preserve accountability, the Executive Committee shall not prescribe organizational means delegated to the EVP.

3. *The EVP is authorized to establish all operating policies, make operating decisions, establish operating practices and pursue delegated activities, as long as such are consistent with a reasonable interpretation of the Executive Committee's Ends and Management Limitations policies.*
4. *The Executive Committee may change its Ends and Management Limitations policies, thereby shifting the boundary between Executive Committee and EVP domains. By doing so, the Executive Committee changes the latitude of choice given to the EVP. However, as long as any particular delegation is in place, the Executive Committee shall respect and support the EVP's choices that are compliant with a reasonable interpretation of those policies.*

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.3

POLICY TITLE: MONITORING EVP PERFORMANCE

The Executive Committee shall systematically and rigorously monitor the EVP's 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 Executive Committee policies are being met. Information that does not address policy compliance will not be considered in the evaluation of EVP performance.*
2. *The Executive Committee shall acquire monitoring information by one or more of three methods:*
 - A. *by internal report, in which the EVP discloses, in writing, policy interpretations and compliance data to the Executive Committee*
 - B. *by external report, in which an external, disinterested third party selected by the Executive Committee assesses compliance with governing policies*
 - C. *by direct Executive Committee inspection, in which a designated member or members of the Executive Committee assess compliance with the appropriate policy criteria.*
3. *In every case, the Executive Committee shall judge whether (a) the EVP's interpretation is reasonable, and (b) whether data demonstrate accomplishment of or compliance with the EVP's interpretation.*
4. *In every case, the standard for compliance shall be any reasonable EVP interpretation of the governing policy being monitored. The Executive Committee is the final judge of reasonableness, and will always judge with a "reasonable person" test (what a reasonably prudent person would do in that context).*
5. *All policies instructing the EVP shall be monitored at a frequency and by a method chosen by the Executive Committee. The Executive Committee may monitor any policy at any time by any method.*

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.0

POLICY TITLE: GOVERNANCE COMMITMENT

The purpose of the Executive Committee, acting on behalf of the Board of Directors to govern AHA's business operations, is to ensure that the Arabian Horse Association (1) achieves appropriate results for its membership at an appropriate cost (as specified in Board Ends policies), and (2) avoids unacceptable actions and situations.

- 1. The AHA Board of Directors delegates to the Executive Committee the authority to manage the business operations of the Association.*
- 2. The business operations of AHA are defined as those relating to the financial operation, legal and business regulatory operational matters, administrative and staff functions. Business operations are further defined in policy adopted by the Board of Directors.*
- 3. The limitations that the Board of Directors places on the authority of the Executive Committee are to be set forth in the policy directives approved by the Board of Directors as same may be modified from time-to-time by the Board of Directors.*
- 4. The existing AHA policies concerning the role of the Board of Directors relating to employment of the EVP and approval of the annual budget are not modified by this action.*
- 5. The AHA Board of Directors by a 2/3 vote may terminate the delegation of authority to the Executive Committee. (BOD 11/07)*

Refer to AHA Bylaws, Article IV, Section 3, Paragraph d. (Res. 5-14)

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.1

POLICY TITLE: GOVERNING STYLE & VALUES

To fulfill its governance role on behalf of the Board of Directors, the Executive Committee commits to acting lawfully, observing Policy Governance principles, with an emphasis on (a) results for members, (b) encouragement of diversity in viewpoints, (c) strategic leadership rather than administrative detail, (d) clear distinction of Executive Committee/Board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) governing proactively rather than reactively.

Accordingly:

- 1. The Executive Committee shall cultivate a sense of group responsibility. The Executive Committee, not the staff, will be responsible for excellence in governing. The Executive Committee shall be the initiator of governing policy. The Executive Committee shall not use the expertise of individual members to substitute for its judgment, although such expertise may be used to enhance the understanding of the Executive Committee as a body.*
- 2. The Executive Committee shall direct, control and inspire the Arabian Horse Association's business operations through the careful establishment of broad written policies. The Executive Committee's major focus will be on the Association's intended long-term impacts, not on the administrative or programmatic means of attaining those effects.*

3. *The Executive Committee shall 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, and ensuring the continual development of governance skills. Although the Executive Committee can change its governance process policies at any time, it will scrupulously observe those currently in place.*
4. *All policies of the Executive Committee are contained in this document, and they remain in effect, unless amended or deleted by Executive Committee action.*
5. *The Executive Committee shall orient new Executive Committee members in its governance process and these policies.*
6. *The Executive Committee shall not allow any officer, individual or committee of the Executive Committee to hinder or be an excuse for not fulfilling its commitments on behalf of the AHA Board of Directors.*
7. *The Executive Committee shall monitor and discuss its process and performance at each meeting. Self-monitoring will include comparison of Executive Committee activity and discipline to Governance Process and Executive Committee-Management Delegation policies.*
8. *The Executive Committee shall ensure that the Association's activities, with the exception of personnel or other matters of a sensitive nature, shall be open and accessible to reasonable scrutiny by AHA's membership.*
9. *The Executive Committee shall ensure that the Association, in its hiring and other activities, will not discriminate on the basis of race, creed, national origin, religion, age, handicap, political affiliation, sex, sexual orientation, or marital, parental or military status.*

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.2

POLICY TITLE: EXECUTIVE COMMITTEE JOB DESCRIPTION

On behalf of the Arabian Horse Association Board of Directors, the Executive Committee shall ensure appropriate performance of AHA's business operations by assuming direct responsibility for the following:

1. *The Executive Committee shall produce:*
 - A. *Needs Assessment: In addition to consultations with the Board of Directors and contact with the Membership, Delegates, and Annual Convention, the Executive Committee shall assess the needs of AHA's membership as they relate to the Association's activities and scope of influence, and will develop Ends policies identifying the results the organization is to produce in addressing those needs.*
 - B. *Advocacy: The Executive Committee shall be accountable to the membership regarding the organization's expected future results, and its present accomplishments.*
2. *The Executive Committee shall develop and maintain written governing policies consistent with Board of Directors policy.*
 - A. *ENDS: Organizational products, their effects and benefits, to our members and horses and their relative worth.*
 - B. *MANAGEMENT LIMITATIONS: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.*
 - C. *EXECUTIVE COMMITTEE/MANAGEMENT DELEGATION: How authority is delegated to the*

EVP and his/her authority and accountability is properly monitored.

3. *The Executive Committee shall retain, set forth terms of employment and oversee the EVP, and will assure successful EVP performance by assessing actual performance against policies on Ends and Management Limitations.*
4. *The Executive Committee shall approve an annual budget and submit it to the Board of Directors for approval prior to the start of the next fiscal year.*

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.3

POLICY TITLE: AGENDA PLANNING

The Executive Committee shall prepare and follow an annual work-plan that includes (1) a complete review and, if appropriate, refinement of Ends policies and (2) continuous improvement in governance performance through governance education, enriched input and deliberation.

Accordingly:

1. *The Executive Committee's annual planning cycle will conclude each year no later than 2 weeks prior to the first day of Budget & Finance Committee's annual budget meeting, so that administrative planning and budgeting can be based on accomplishing a one year segment of long-term Ends.*
2. *The Executive Committee's planning cycle will start in April with the development of its work-plan for the next Fiscal year.*
 - A. *The Executive Committee shall identify its priorities for Ends and other issues to be resolved in the coming year, and will identify the information gathering necessary to fulfill its role. This may include consultations with selected groups in the membership, meetings with other entities in the equine industry, other methods of gaining membership input, governance education, and other education related to Ends issues.*
 - B. *The President shall, at the commencement of the Executive Committee's annual planning cycle, prepare a tentative agenda plan for the following year's meetings.*
3. *The President shall determine the agenda for any particular Executive Committee meeting, although Executive Committee members may request or recommend any appropriate matters for Executive Committee consideration.*
 - A. *An Executive Committee member may recommend or request a matter for Executive Committee discussion by submitting the item to the President at least 20 days prior to the scheduled Executive Committee meeting.*
 - B. *The meeting agenda and packet are to be received by Executive Committee members at least 14 days prior to the scheduled Executive Committee meeting.*
 - C. *By an affirmative vote of a majority of the members of the Executive Committee, or of those present at a meeting, additional matters may be added to the agenda of any Executive Committee meeting.*
4. *The Executive Committee shall attend to consent agenda items (those items delegated to the EVP yet required by law or third-party to be Board-approved) as expeditiously as possible.*
5. *The Executive Committee shall act to approve/disapprove EVP monitoring reports received since the previous meeting. Additional EVP monitoring will be on the agenda if the Board, for any reason, chooses to arrange for direct inspection or third-party monitoring, or otherwise amend its monitoring schedule.*

EVP remuneration will be determined in connection with the anniversary of hire date after a review and summary of monitoring actions taken during the past twelve months.)

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.4

POLICY TITLE: PRESIDENT'S AND OFFICERS ROLE

As the Association's top-elected officer, the President shall serve as its chief governance officer, ensuring the integrity of the Board's and Executive Committee's process and, secondarily, representing the Membership, Board of Directors and Executive Committee to outside parties.

Accordingly:

- 1. The President's shall ensure that the Board and Executive Committee behave consistently with the Bylaws, their respective governing policies, and those legitimately imposed from outside the organization.
 - A. Executive Committee meeting discussion content will include only those issues that clearly, according to Executive Committee policy, belong to the Executive Committee to decide or to monitor.*
 - B. Deliberation will be fair, open, thorough, timely, orderly, and to the point.**
- 2. In the governance of AHA's business operations, the President is authorized to make decisions consistent with the Executive Committee's Governance Process and Board/Management Delegation policies. The President is hereby delegated the authority to use any reasonable interpretation of these policies.
 - A. The President is empowered to preside at Membership, Delegates, Board of Directors and Executive Committee meetings with all of the commonly accepted power of that position. Robert's Rules of Order, latest edition, shall serve as the rules of order for meetings of the Membership, Delegates and Board of Directors.*
 - B. The President may represent the Board and Executive Committee to outside parties in announcing Board-stated or Executive Committee-stated positions and in stating decisions and interpretations within the area delegated to her or him. The President may delegate this authority but remains accountable for its use.*
 - C. The President may appoint members to serve on Committees, unless specified otherwise in Bylaws or Board policies.*
 - D. The President, with approval of the Executive Committee, be delegated the authority to authorize payments for emergency funding up to \$25,000 to cover non-budgeted "emergency expenditures". The funds may come from the General Fund or the Cash Reserve Account (All CRA policies apply) as determined by the Executive Committee (BOD 03/14)**

Powers and Duties of Officers. *(Bylaws & Merger Agreement)*

The President serves as the chief governing officer of the Association. The President ensures the fulfillment of the Board's governance obligations and fiduciary duties, presides at meetings of the Board and Membership and shall fulfill other responsibilities as may be designated from time to time by the Board in its Governing Policies, or as designated by resolution.

- A. The President, unless otherwise specified, shall be the official spokesperson of the Association's Membership and Board of Directors. The President's authority to speak and/or make decisions on behalf of the Board is subject to the direction of the Board of Directors, as stated in its Governing Policies.*

- B. *Vice-President. In the event the President is absent, unable or refuses to act, the Vice-President shall fulfill the duties of the President. The Vice-President shall also fulfill other responsibilities as may be delegated by the Board of Directors in its Governing Policies.*
- C. *Treasurer. The Treasurer shall advise and update the Board and committees on matters of fiscal policy, and shall serve as an ex officio member of the Board's Audit Committee.*
- D. *Secretary. The Secretary shall keep or cause to be kept at the principal office of the Association the minutes of all meetings of the Board and of all meetings of the Membership and shall ensure the accuracy of the effective Governing Policies manual of the Board. The Secretary shall perform or cause to be performed such other and further duties as may be required by law or as may be prescribed from time to time by the Board of Directors or these Bylaws.*
- E. *Two At-Large Vice-Presidents shall represent the interests of purebred Arabian Horses and seek to aid, promote and foster the preservation of the unique qualities of the purebred Arabian Horse Breed. The At-Large Vice Presidents shall recommend, encourage and support Arabian Horse Association's involvement in all activities and undertakings incidental to or designed to further, promote or grow the purebred Arabian Horse Breed consistent with the best interests of the purebred Arabian Horse.*
- F. *The Past-President shall assume responsibility to the Executive Committee of providing historical business perspective to ensure successful turnover of authority and business continuity.*
- G. *Executive Vice President - The Board of Directors shall employ an Executive Vice President (EVP), with terms of employment as the Executive Committee shall determine, and as the Executive Committee may set forth in an Employment Agreement. The EVP shall have the authority and responsibility for the day-to-day operations of the Association, in accordance with these Bylaws and the Governing Policies of the Board as amended from time-to-time. The EVP shall be responsible for the employment of staff in a manner consistent with the Governing Policies. The EVP shall be an ex-officio, non-voting member of the Board of Directors and Executive Committee.*

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.5 POLICY TITLE: EXECUTIVE COMMITTEE MEMBERS' CODE OF CONDUCT

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

Accordingly:

1. *Executive Committee members must demonstrate loyalty to the interests of AHA's membership, unconflicted by loyalties to staff, other organizations, sectors/regions within the membership or any personal interests as customers/members of the Association.*
2. *Executive Committee members must avoid conflict of interest with respect to their fiduciary responsibility.*
 - A. *There must be no self-dealing or any conduct of private business or personal services between any Executive Committee member and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.*
 - B. *When the Executive Committee is to decide upon an issue about which a member has a conflict of interest, that member shall disclose the conflict to the Executive Committee and absent herself or himself without comment from not only the vote but also from the deliberation.*

- C. *Executive Committee members must not use their positions to obtain staff employment for themselves, family members or close associates. Should an Executive Committee member apply for staff employment, he or she must first resign from the Executive Committee.*
3. *Executive Committee members must not attempt to exercise individual authority over the organization.*
 - A. *Executive Committee members' interaction with the EVP or with staff must recognize the lack of authority vested in individuals except when explicitly Executive Committee authorized.*
 - B. *Executive Committee members' interaction with public, media or other entities must recognize this limitation and that Executive Committee members are not to speak for the EVP, or to speak for the Executive Committee except to repeat explicitly stated Executive Committee decisions.*
 - C. *Except for participation in Executive Committee deliberation about whether the EVP has achieved a reasonable interpretation of Executive Committee policies, Executive Committee members will not publicly express individual judgments of performance of employees or the EVP.*
 4. *Executive Committee members must respect the confidentiality appropriate to issues of a sensitive nature.*
 5. *Executive Committee members shall support the legitimacy and authority of the final determination of the Executive Committee on any matter, regardless of the member's personal position on the issue.*
 6. *Executive Committee Members shall not cause nor participate in any practice, activity or circumstance that is unlawful under prevailing antitrust laws, regulations or applicable court decisions that affect the Arabian Horse Association.*
 7. *An Executive Committee member aware of credible information that suggests that a governing policy has been violated, by either the Executive Committee, the Board or the EVP, has an affirmative obligation to bring the concern to the Executive Committee's agenda for monitoring.*

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.6

POLICY TITLE: GOVERNING COMMITTEES

A committee is a governing committee only if its existence and charge come from the Executive Committee, regardless of whether its composition includes Executive Committee or Board members. The only governing committees are those which are set forth in this policy. Unless otherwise specified, the EVP, or his/her staff designee, will serve as a non-voting member of each committee.

1. ***Audit Committee (Resolution, Article Chapter 5, CBP 116)***
 - A. *Deliverable #1:* *Annual specification of scope of audit, prior to outside audit, consistent with Board monitoring policy. This may include engaging the auditor to, in addition to a standard G.A.A.P. Audit, assess the operating organization's performance with specific governing policies (e.g. Financial Condition and Activities).*
 - Deliverable #2:* *Assessment and confirmation of auditor's independence, and recommendation to Executive Committee for engagement of auditor -- by no later than the Executive Committee meeting held at the Annual Convention of each year.*
 - Deliverable #3:* *Direct inspection monitoring of the Financial Condition & Activities, Financial Planning and Budgeting, Asset Protection, Investment Management and Compensation and Benefits policies, per schedule established by the Executive Committee (policy 3.4).*
 - Deliverable #4:* *Recommendations to the Executive Committee for changes, as deemed appropriate, to AHA's Investment Management and other finance-related governing policies.*

- B. *Authority: To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs of no more than the amount established by the Executive Committee for all matters related to the audit.*
- C. *Composition: 3 Board of Director members elected by the Board of Directors plus the Treasurer serving in an ex officio member capacity in conjunction with the Controller.*

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.7

POLICY TITLE: GOVERNING COMMITTEE PRINCIPLES

The Audit Committee and other committees established by the Executive Committee, when used, will have one essential role -- to strengthen and support the governance work of the Executive Committee as a whole. These “governing committees” are not to interfere with delegation from Executive Committee to the EVP, or from the EVP to other staff.

Accordingly

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

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.8

POLICY TITLE: GOVERNANCE BUDGET

The Executive Committee shall consciously invest in its ability to govern competently and wisely.

Accordingly:

1. *Executive Committee skills, methods, and supports will be sufficient to assure governing with excellence.*

- A. *The Executive Committee shall invest in governance to orient new Executive Committee 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 Executive Committee can exercise confident control over organizational performance.*
 - C. *Outreach/linkage mechanisms (e.g. surveys) will be used as needed to ensure the Executive Committee understands membership viewpoints and values.*
2. *Costs will be prudently incurred, but sufficient to ensure the development and maintenance of superior governance. Prior to the EVP's development of the annual budget, the Executive Committee shall establish its governance budget for the next year, considering but not limited to items such as:*
 - A. *Governance training and consultation, including publications.*
 - B. *Executive Committee and Officers travel/reimbursements (attendance at conferences, workshops, Board meetings, etc.)*
 - C. *Audit and other third-party monitoring of organizational performance.*
 - D. *Executive Committee-initiated surveys, focus groups and opinion analyses.*
 - E. *Executive Committee-hosted ownership linkage/outreach events.*
 - F. *Governance committee(s) functions.*
3. *On behalf of the Board of Directors, the Executive Committee shall also ensure that the annual Budget provides adequate funding for Board of Directors functions, as well as the Executive Committee's own governance functions.*

Revised 1/9/18

***“There is something
about the outside of a horse
that is good for
the inside of a man”***

- Sir Winston Churchill