



**HORIZON UNIVERSITY
BOARD MANUAL
(2023~2024)**

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I. Purposes & Values

Purposes of a Non-Profit Board of Directors

In *Ten Basic Responsibilities of Nonprofit Boards*, Richard Ingram suggests the board's role is to:

1. Determine the organization's mission and purpose
2. Select the chief executive
3. Support the chief executive and assess his or her performance
4. Ensure effective organizational planning
5. Ensure adequate resources
6. Manage resources effectively
7. Determine, monitor, and strengthen the organization's programs and services
8. Enhance the organization's public standing
9. Ensure legal and ethical integrity and maintain accountability
10. Recruit and orient new board members and assess board performance

Richard T. Ingram

Ten Basic Responsibilities of Nonprofit Boards, Washington DC: National Center for Nonprofit Boards, 1997.

Three areas of duty:

Governance – The board as a whole makes decisions and sets policies. Individual board members do not govern; they interact with their fellow members to come to a decision. Governing is only occurring during meetings with proper notice and enough members to constitute a quorum.

Implementation – Decisions may require action beyond the meeting. In many cases, that implementation is the responsibility of the president and his or her staff. In some cases, the board may authorize one or more members to implement a decision (e.g. choose a contractor for a planned improvement).

Volunteerism – Board members are normally expected to volunteer beyond attendance at meetings. Many times they assist in an area of their special expertise (e.g. a lawyer may look over contracts; a banker may interview accounting firms). A board member often volunteers under the supervision of a staff member (e.g. the director of development may supervise board members who are planning a silent auction or VIP reception).

These duties are not to be usurped by the administrations or staff. Furthermore, board members are not to usurp the duties of administrators and staff.

Institutional Mission & Goals

Until there is not only consensus but some passion about a clear mission, strategic planning can be a waste of time. Mission is the reason you exist as an organization. Would the world lack anything if someone didn't achieve your mission? How do you know whether to add or eliminate a program unless you can link it to your mission? (Andringa and Engstrom 1997: 16)

Andringa, Robert C. and Ted W. Engstrom

1997 *Nonprofit Board Answer Book*. Washington, DC: National Center for Nonprofit Boards.

Philosophy

Horizon University (HU) was founded upon Christian doctrine and religious principles. We strive to provide the highest standard of education to Los Angeles and the surrounding communities. HU focuses on providing degree programs to students of all backgrounds, in order to serve the expanding local and global communities of the world. Upon the completion of our degree programs, students will be able to enrich and serve with the moral, spiritual, and professional values our Christian education provides.

Mission Statement

Our mission at Horizon University (HU) is to educate the next generation of strong Christian leaders who will selflessly serve their churches, communities, and beyond with their diverse skills and vital knowledge gained during their studies of theology, the Bible, and practical ministry here at HU.

Values

Horizon University prides itself in upholding core Christian values and doctrines daily in not only our educational pursuits, but in all that we do. We have identified and summarized our three core values:

- We value the mission and dedication of all Christian members and the talents and skills they bring to the Church community; focusing on the service and communicating of the Lord's message.
- We strive for the highest level of academic success, integrity and professionalism focusing on the Christian faith and developing a relationship with our savior, Jesus Christ.
- We dedicate ourselves and our students to serve as role models in our local and global communities, churches, and workplace.

Vision

Our vision at Horizon University (HU) is to enrich and spiritually improve the world around us by preparing Christian leaders dedicated to work in the areas of ministry and theology. Our students will inspire, motivate, and drive others to live a life defined by Christian principles, and they will be shining examples of the outstanding educational experience at HU. They will be leaders that guide their communities to greatness in the name of Jesus Christ.

Doctrinal Statement

1. The Bible

We believe that the Bible is divinely inspired by God and given for the faith of the believing community. It is infallible, authoritative and without any errors in its entirety.

2. The Trinity

We believe in the one true and living God who is eternal, transcendent, omnipotent and personal. He possesses three eternal, personal distinctions which are revealed to us as God the Father, God the Son and God the Holy Spirit. They are perfectly equal, yet execute distinct but harmonious offices.

3. The Father

We believe in God the Father, the first person of the Divine Trinity, who is perfect in holiness, wisdom, power and love. He is infinitely sovereign, eternal, and unchangeable in all His attributes and is worthy of honor, adoration, and obedience.

4. The Son

We believe in Jesus Christ, the Perfect Son, and second member of the Divine Trinity. He was miraculously conceived and born of a virgin. He was fully man and fully God and perfectly sinless in all His humanity.

5. Holy Spirit

We believe that the Holy Spirit is the third person of the Triune Godhead. He has been and will continue to be active throughout eternity. He convicts, regenerates, indwells, sanctifies, and seals all believers in Christ, and empowers them for service. Believers are filled with the Spirit at the time of salvation. The Holy Spirit administers spiritual gifts to all believers; however, the manifestation of any particular gift is not required as evidence of salvation

6. Historicity

We believe the full historicity and perspicuity of the biblical record of primeval history, including the literal existence of Adam and Eve as the progenitors of all people, the literal fall and resultant divine curse on creation, the worldwide cataclysmic deluge, and the origin of nations and languages at the tower of Babel. We believe the realities of heaven and hell.

7. Redemption

We believe the redemptive grace of God through the substitutionary work of Jesus Christ who paid the full price for the sins of the world, through His literal physical death, burial and resurrection, followed by His bodily ascension into heaven.

8. Salvation

We believe in a personal salvation provided solely by the grace of God on the basis of the atoning death and resurrection of Jesus Christ. We believe that salvation is only appropriated by a person placing their faith in the finished work of Christ and not by human merit or work. We are eternally saved from the penalty of sin.

9. Last Things

We believe in the personal and visible return of the Lord Jesus Christ to earth and the establishment of His kingdom. We believe in the bodily resurrection, the final judgment, the eternal felicity of the righteous and the fulfillment of His purposes in the works of creation and redemption with eternal rewards and punishments.

10. Biblical Creation

We believe the biblical account of creation as a historical and theological record of God's creation. We believe that the universe, in its entirety, was created by God in a literal six-day week. God's creation includes, but is not limited to, the existing space-time universe along with its basic systems and all kinds of living organisms.

11. Satan

We believe in the existence of a personal, malevolent being called Satan who acts as tempter and accuser. He can be resisted by the believer through faith and reliance on the power of the Holy Spirit. A place of eternal punishment has been prepared for Satan, along with those who die outside of having faith in Christ, where they will be confined to conscious torment for eternity.

OBJECTIVES

The fourfold goal of Horizon University (HU) is to educate students to become academically successful and intellectually confident, gain cultural awareness and tolerance, and obtain the practical skills and knowledge necessary for professionals, in order to serve as dedicated Christian leaders who have a foundation in Biblical knowledge and Christian values and are able to employ Christian principles within their career and interpersonal relationships.

First, students will be academically successful and intellectually confident, which are important qualities for overall professional success. Students will achieve skills necessary to analyze and absorb important information in their discipline, and students will apply their knowledge to real world situations.

Second, students will develop cultural awareness and tolerance in order to be compassionate and fair leaders. Students will evaluate differences that may arise while at work in various communities and will create a space built upon inclusion and Christian love.

Third, the education received at HU will grow strong professionals who have superior knowledge and skills of their respective professional fields. Students will acquire practical skills that can be demonstrated in the field.

Our fourth and most important goal is to mold and cultivate strong, dedicated spiritual leaders who are well-versed in Biblical knowledge and Christian values. Students will apply Christian principles to pursue their vision and mission in life and deliver their knowledge to others in a mature and compassionate manner.

II. Qualifications and Selection Process

Qualifications

For a person to be considered qualified for board membership, he or she should be:

- A faithful Christian
- An active member of a local church
- “Above reproach” (Although we do not expect sinless perfection, we do expect a board member to maintain an honorable testimony consistent with a Christian confession.)
- Convinced that the ministry of this school is a worthy cause for those who are zealous for good works
- Financially supportive of the school
- Willing to serve by being involved in school activities and projects

Selection

The board invites nominations of qualified persons having relevant expertise to serve on the board. Those wishing to nominate potential members should contact the Board of Directors. The board will seek testimony as to qualifications of a nominee. A delegated individual will then contact the nominee to discuss his or her interest. If this nominee is interested in supporting the school by serving on the board, the Board of Directors will vote on the matter. Acceptance into membership requires a two-thirds vote by the members of the board who are present at an official board meeting. The governing board is of sufficient size so that all committees can be adequately populated by qualified members without concentrating too much control in a small number of people. The board of directors is no less than five members and no more than eleven members.

Length of Service of Members

Members of the board of directors will normally be appointed for a 3-year term. If a member must leave his or her office before end of his or her term, a new member can be appointed to complete the term of the outgoing member.

Terms of board members may be renewed if the individual is willing to serve again and the board of directors unanimously votes to accept the member for a new term at an official board meeting. There is no term limit for the board membership.

III. Duties and Responsibilities of Board Members

As stewards before God for the mission of Horizon University, the duties of the board of directors are to:

1. Uphold the bylaws
2. Pray for the achievement of God's purposes through this school
3. Participate in the ministry of this school by attending meetings, serving on committees, helping carry out special projects and/or attending special school functions
4. Oversee the financial management of this school (e.g. discuss and help develop the annual budget, review audit statements)
5. Participate in development of funds necessary for operation of the school
6. Personally contribute to the financial support of the school

A Guardian of Policy

A board governs at the policy level by encouraging, protecting, defending, and strengthening the mission of the University. A board develops or approves the school's initial mission statement. From that point on, the mission statement serves as a plumb line to measure proposed goals or initiatives. A program that merely adds students or money should not be approved if it does not fit the mission. Board members are the stewards charged with assuring that the direction of the University is consistent with the mission statement. The details of how any approved goals or initiatives are to be accomplished is the work of the President and his or her administration. The President will submit an annual revision of the Five Year Strategic Plan. The board will evaluate how the plans contribute to the mission of the school.

The mission statement should be periodically reviewed and perhaps even revised. However, changing the mission statement has many implications. Changing it should not be done casually or in isolation from various stakeholders (e.g. sponsoring churches, faculty and administrators, alumni).

In addition to a school's broad statements of policy (i.e., mission, visions, objectives, values, intentions, etc.), a board will also approve various policy documents. The board gives major attention to the constitution, bylaws and board manual. Other policy documents to approve include:

- Policies Manual
- Faculty Handbook
- Student Handbook
- Catalog

Becoming Highly Qualified

Board members should stay informed about the University. This will involve attending meetings and reading various documents. One document, an annual institutional research report, will inform members of strengths and weaknesses that have been identified relative to each objective,

goal, or component of the mission statement. Making oneself aware of higher education issues and trends will also be useful.

Board members should also value the work of the Personnel Committee. This committee is responsible to orient and continually train board members. They are also responsible to identify types of new members needed, recruit members as needed, and annually evaluate current members.

Relating to the Administration

Board members must not become distracted from their work by becoming involved in the daily operations of the school. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. Our accrediting agency will not be pleased if they find the board doing what should be done by administrators. The President and his or her team are responsible to carry out the policies.

The board will ensure the accomplishment of policy by annually reviewing the President based upon mutually agreed to (and written) expectations. The board will not supervise other administrators or staff. The board will encourage and nurture the President and his or her staff through good policies, fair compensation, and appropriate involvement. Board members are strongly encouraged not to explore specific issues of concern with individual faculty, staff or students, but to refer their concern to the board as a whole, or to the president. Individual board members will have no authority to act for the University outside of the board meeting.

Representing the Institution

Outside of board meetings, the board will speak through the chairman or member designated by the chairman to represent the board.

The board encourages open debate and dialog during the meetings with the expectation of discovering Godly wisdom in all decisions. Outside the meetings, the board speaks only through the chairman with one voice. Individual board members should share with either the chairman or the President significant issues raised by interested parties outside of the meetings. Issues of concern are encouraged to be brought to the board through the chairman, the members, or the President. The leadership of the University will not be responsive to anonymous communications because it is an unbiblical process for resolving conflict or sharing criticism.

The board uses their regional, national, or global sphere of influence to leverage partnerships and friendships for the University.

The board advocates for the whole of the University, rather than only a special interest of personal concern, and speaking with one voice as a Board of Trustees.

The board carries the responsibility to develop and help maintain healthy relationships with key constituencies.

Institutional Finances: Management & Audits

As a guardian of a school's mission and goals, a board must manage financial resources efficiently and effectively. This is necessary to maintain the confidence of donors. Part of this is maintaining economic stability. This includes audits and controls to see that money is handled properly (e.g. according to sound budgeting procedures), fundraising from a large number of sources (e.g. so that there is not an unreasonable danger if a small number of sources of income were to disappear), maintaining substantial equity in property and investments, and keeping debt at a conservative level.

Finances: Giving

All members are to be a donor of record each year.

At meetings, announce the number of donors and total board giving.

Finances: Fundraising

The board should engage all trustees in the "advancement" functions of the institution. In addition to requiring all trustees to be donors of record each year, the board should volunteer the kinds of help in fund raising which they would enjoy and do well. Some trustees should be asked to help "link" with denominational leaders, community leaders, alumni groups, etc. A board should support the University as a donor, prayer partner, and volunteer.

Officer Job Descriptions

1. Chairman of the Board of Directors: Represents the board, directs business of the board, serves as chair of the board and Executive Committee, presides at board meetings, and directs the business of the board of directors.
2. Associate Chair: Supports the board chair and helps execute board business. Assumes duties of the chairman in cases where the chairman requests (perhaps due to absence or health concerns), the chairman is deceased, or a two-thirds majority of the Board of Directors votes that the associate chair should assume the chairmanship.
3. Secretary: Takes minutes of board meetings and presents for approval the minutes of the previous meeting. (Minutes of a previous meeting are normally mailed to members so that time to review minutes is not necessary during an upcoming meeting.)
4. Director of Communications: Manages communication with board members and major constituents.
5. Auditors: Two auditors inspect all financial affairs of the board and school. This includes reviewing the execution of the budget, accounts, property management, and preparing a report to the board.

Committee Job Descriptions

1. **Board Development Committee:** This committee provides continuous oversight of the bylaws, develops a roster of potential board members based on the board profile, nominates new directors, orients and trains board members, evaluates the governance process and the contributions of individual directors, and otherwise helps the board improve in governance. The Associate Chair of the Board of Directors will chair and select this committee of two to four additional members plus the President.
2. **Executive Committee:** This committee arranges for the execution of orders and resolutions not otherwise specifically provided for by the Board of Directors. Between meetings of the board, and, in accordance with the general policy of the board, it will have the care and direction of matters pertaining to the welfare of the University, and especially will discharge such duties as the board may assign to it from time to time. The members of this committee will include the Chairman, Associate Chair, Director of Communications, and Secretary.
3. **Academic Committee:** This committee evaluates the system of instruction, educational effectiveness, management, and all other matters pertaining to the educational objectives of the University and makes policy recommendations to the board. The committee will recommend to the board policy regarding tenure and faculty rank. It will be actively involved in the tenure evaluation of individual faculty members—receiving the President’s tenure nominations and taking to the board recommended tenure action.
4. **Finance Committee:** This committee reviews financial and campus operational issues of the University. The committee will recommend policies to the board regarding financial operation. This committee will also recommend to the board policy regarding fund raising. It will recommend to the board any new major fund raising initiatives.
5. **Audit Committee:** This committee discusses and assesses the University’s financial statements and other relevant information, systems of internal controls regarding finance, accounting, legal compliance, and ethics. The Committee will hire an external auditor to conduct an annual audit of the University finances. This committee also assesses auditing and financial reporting processes.

IV. Administration

Differences Between Governance and Administration

The most misunderstood and abused principle of governance is the requirement for group action. The chief executive and staff cannot serve two (or 2) masters. The full board sets policy, not individual board members who feel strongly about something and voice their opinions to the chief executive (Andringa and Engstrom 1997:5).

Andringa, Robert C. and Ted W. Engstrom

Nonprofit Board Answer Book. Washington DC: National Center for Nonprofit Boards, 1997.

Administrators should not usurp governance duties, nor should board members usurp administrative duties. The board sets a policy and the administration implements that policy. Reports from the administration show how a policy is being carried out. The administrators are not to revise or ignore that policy. The board is not to interfere with daily operations.

Presidential Roles and Authority

While the board's job is generally confined to establishing the broadest policies, implementation and subsidiary policy development is delegated to the President.

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

Board policies direct the President to achieve certain results; the President Parameters/Limitations policies constrain the President to act within acceptable boundaries of prudence and ethics. Beyond the written board policies and executive means, the President is authorized to establish all further policies, make all decisions, take all actions and develop all activities as long as they are consonant with any reasonable interpretation of the board's policies.

Board Performance Review of President

The board will conduct an annual evaluation of the President and are responsible to assure presidential performance against the board's written priorities and within Executive Parameters.

The board should compare salaries of administrators and faculty to national averages for comparable schools (e.g. materials published by our accrediting agency).

As the board's single official link to the operating organization, the President's performance will be considered to be synonymous with organizational performance as a total. Consequently, the President's job contributions can be stated as performance in two areas: (1) organizational

accomplishment of the provisions of written board policies, and (2) organizational operations within the boundaries of prudence and ethics established in board policies on Executive Parameters/Limitations.

In school: within mission, financially stable and operating under budgeting-accounting-investing policies, enrollment stability (and hopefully growth), operating smoothly through appropriate staff in charge of each area (e.g. academics and accreditation).

The committee will have an “evaluation conversation” with the President and will also meet together without the President. In addition, the committee may choose to talk informally or formally with other School employees, students, constituents, and/or resource persons, and may at times use other mechanisms to gather information which will give them a full picture of the President’s work and leadership of the School. The committee will make a formal report to the full board during the fall meeting in Executive Session of the Board. The board will take action on the committee’s report. With appropriate consultation, the chair of the board will set the President’s compensation for the coming year.

Board Self-Evaluation

The Board Self-Evaluation process is designed to help the Board members assess their performance and identify priorities for board activities going forward. The evaluation process shall occur annually after the end of fiscal year in June and all Board members shall participate in the Annual Self-Evaluation process by completing a Board approved Self-Evaluation Instrument. Board members are to be involved in the discussion of the Self-Evaluation results and shall participate in charting a path-forward for improving and strengthening the Board’s role in advancing the priorities of the University.

Faculty Role in Shared Governance

The faculty may share specific delegated authority in matters of curriculum and degree requirements, under the ultimate accountability of the President to the board.

V. Policies

Meeting Patterns

A regular meeting is summoned two times a year (March and September). All members should make attendance at the board meetings a high priority in their calendar. A chairman or majority of members should be able to have power to call special meetings.

The schedule for board meetings should be set two weeks in advance. The board will meet at least two times each year for a full day (including committee meetings).

Conflict Of Interest Policy

Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. Governing board obtains signed statements from each board member annually and followed. By signing the policy members agree to disclose potential and actual conflicts and act in accordance with the policy.

Definition

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

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

- (1) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or

- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Conflict of Interest Avoidance Procedures

- (a) Duty to Disclose.

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

- (b) Determining Whether a Conflict of Interest Exists.

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

- (c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making a further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Budget Policy and Procedures

The annual budgeting process begins the second week of January, when the Director of Finance sends the Preliminary Budget Request Worksheets to all administrators who are authorized to manage Horizon University funds.

After Preliminary Budget Request Worksheets are due, the budget committee (President, Director of Operations and Director of Finance) will have about two weeks to develop our preliminary budget. The preliminary budget will include proposed allotments to each department requesting funds.

To develop the preliminary budget, these administrators will review prospective enrollment, revenue, key needs, major expenses and the total amount of funds requested through Preliminary Budget Request Worksheets. The total of funds for all departments cannot exceed 85% of the anticipated income from tuition, donations and other sources.

By February 15th, the Director of Finance will send a Preliminary Budget Response Memo to each department that requested funds.

During mid-February, the budget committee will complete their final proposal for the upcoming year's budget. This budget will be submitted to the President (if the President delegated his or her authority and participation in this process) by the end of February. Unless the President requests further work on the budget, it will be submitted to the executive committee of the Board of Directors by March 1st. The Board will vote on this proposed budget at their stated meeting.

Quarterly Financial Report

It is a responsibility of the Budget Committee (President, Director of Operations and Director of Finance) to prepare the Quarterly Financial Report and present it to the Board of Directors. Once the quarterly financial statement is prepared by the external CPA, the Budget Committee will review and analyze the statement with the budget. If necessary, adjustments and updates will be made to the budget to reflect more accurate information. Any revisions to the budget must be

reviewed and approved by the Board of Director. This process ensures financial stability which includes enrollment management, diversification of revenue, and realistic budget of the institution.

Safeguarding Finances

With respect to the actual ongoing condition of the University's financial health, the president may not cause or allow the development of fiscal jeopardy or loss of allocation integrity. Accordingly, the President will properly manage the financial issues of the University, with board approval required only for any of the following:

- a) Making any purchase or commit the University to any expenditure of greater than \$100,000.
- b) Making any purchase of over \$100,000 without sealed bids or a written record of competitive prices demonstrating prudent acquisition of quality goods, or any purchase wherein normally prudent protection has not been given against conflict of interest.
- c) Borrowing money.
- d) Investing the endowment funds as instructed by the Board.
- e) Failing to meet the covenant demands included in bond or loan agreements.

Investment Policy

1. The Board of Directors will maintain responsibility for all investment matters of the corporation. It shall form a Finance Committee consisting of three or more members of the board who will be duly nominated and elected to such positions.
2. The board shall nominate and elect committee members that have significant knowledge and experience with regard to investing. The Finance Committee will propose and/or maintain policies and procedures that the full board will periodically review and revise including investment policies for the corporation. Such policies and procedures must protect the interests of the corporation in the fulfillment of its non-profit and tax-exempt mission, purposes and objectives. These policies and procedures are also to be in accord with biblical principles.
3. Daily supervision of transactional and administrative paperwork pertaining to investments may be delegated either to a business manager or to the Finance Committee.
4. Investment policies shall be conservative, prioritizing safekeeping of principal. Aggressive growth funds that present higher risk shall be avoided. Normal growth funds may be suitable, in some cases, and any funds designed for growth shall be well diversified. The investment policies shall specify that a certain percentage of various

accounts must be kept in bonds, CDs or other conservative investments. Three to six months of reserve capital shall be kept in a liquid account that is FDIC insured. No more than \$100,000 shall be kept in any one bank account so as to remain below the limit of FDIC insurance.

5. Our specific policies for diversification of endowed funds are as follows:

The target balance of endowed funds is to be 60% equity at cost basis and 40% in fixed income and money market funds. No more than 5% of endowed funds will be invested in a single stock. Of the equity portion of funds, the equity manager will weigh the holdings to large cap and global equities. Of the fixed income portion of funds, bonds will be either corporate or government bonds rated B or better.

6. Our policies for ethical implications of investments are as follows:

Companies whose primary products are pornography, alcoholic, tobacco or gambling are not to be used in the portfolio.

7. Our policies for careful safeguarding of funds are as follows:

An independent, third party will hold endowed assets of financial instruments and submit monthly statements of accounts.

8. As a measure to prevent mistakes, fraud, embezzlement and conflicts of interest, two types of audits will be conducted. A qualified individual will conduct an outside, opinioned audit. Since the corporation's independent auditor will not review all financial transactions, the board will conduct a regular review of the expenses of high-level administrators.

VI. Board Development

Procedure and Agenda for Board Orientation

The new member is not permitted to vote in board meetings until orientation is completed. The first step is to give the current copy of this manual to the new member. Once the new member has completed the reading of the Board Manual, he or she is to inform the chairman of the board. The chairman will then discuss the five-year vision and highlights of the five-year plan. The chairman will also give the new member a copy of the five-year strategic plan. The next step is for the President to discuss the current state of the school. This will include highlights from the last annual institutional assessment report. The President will also give the new member a copy of the institutional assessment report. At this point, the new member is qualified to vote.

A board member should intentionally get to know the schools':

- Leading Administrators
- Mission, Visions, and Objectives
- History

- Programs
- Resources
- Programs for Developing Funds

Ongoing Development

For a segment of the board meeting, the board may bring in an outside evaluator to monitor the meeting and help suggest better functioning.

To become effective, a board must be involved in equipping its members. Individual members are equally responsible to utilize opportunities to equip themselves.

Alumni are an important source of institutional information and history, as well as donations. Therefore, it is not uncommon for the President of the alumni association to be either a non-voting or voting member of the board. In our school, regular input or reports from and to the alumni association shall be important for mutual understanding.

New Board Member Orientation Checklist

- Tour facility
- Introduce to staff and faculty
- Review Bylaws
- Review Board Manual which should include:
 - Contact information of fellow board members and key administrators
 - Organization Chart
 - List of Committees
 - Board meeting schedule
 - Mission, Vision and Goals
 - Strategic Plan and Business Plan
 - Annual Budget
 - Investment Policy
 - Conflict of Interest Policy
 - Description of Programs
- Discuss brief historical overview and key milestones of non-profit
- Discuss mission and provide stories, data and overview of what is being accomplished
- Review fiscal report and describe how financials will be provided to board, key indicators the board tracks for fiscal stability
- Provide copy of most recent Form 990 and audit
- Review Institutional Strategic Plan and discuss how plan is used and the process for future planning
- Review Annual budget, explaining historical trends in both revenue and expense
- Review committee structure and task force sub-groups and discuss process for serving on a committee

- Discuss the ways in which board members engage in fundraising strategies and the giving expectations for board members
- Connect new board member to a senior board mentor – so that throughout the first year the new member has someone to check in with and provide support

Appendix I

Board Member Self-Evaluation

This self-evaluation should be done by the board members annually. This evaluation will be used for the betterment of the member's administration and communication purpose only. Please mark the appropriate place to each question.

Poor	Fair	Average	Good	Excellent
1	2	3	4	5

No	Question	1	2	3	4	5
1	I understand my role and responsibilities as a board member.					
2	I am familiar with the University's mission and with the Board's priorities in support of the mission.					
3	I am willing to listen to the other viewpoints expressed by my fellow board members and support the majority decisions of the board.					
4	I prepare adequately for each board meeting and participate actively in all board meetings.					
5	I keep pace with new developments in board of directors and improve in my activity by attending various workshops.					
6	I actively support the chairman and the president's vision and plans.					
7	I call on my chairman and president when I have questions about board policy or operation.					
8	I am aware of the contributions and concerns of the faculty, staff and student body.					
9	I participate in the University's fund-raising projects and in all capital growth campaigns.					
10	I am familiar with University's uniqueness and strengths, and can articulate its contribution to the community.					
11	I receive the kind of information I need to monitor University's health and formulate sound policies.					
12	Overall rating: <input type="checkbox"/> Excellent (45+) <input type="checkbox"/> Good (35-44) <input type="checkbox"/> Average (25-34) <input type="checkbox"/> Fair (20-33) <input type="checkbox"/> Poor (11-19)					

Appendix II

President Evaluation

This evaluation should be done by the board members annually. This evaluation will be used for the betterment of the presidential administration and communication purpose only. Please mark the appropriate place to each question.

Poor	Fair	Average	Good	Excellent
1	2	3	4	5

No	Question	1	2	3	4	5
1	Communicates a vision for the University effectively.					
2	Communicates with members in a responsive manner.					
3	Effectively appoints and manages the administrative cabinet.					
4	Is taking the right action to manage enrollments.					
5	Actively promotes scholarly development and excellence.					
6	Is an effective fundraiser.					
7	Practices leadership that Instills enthusiasm and increases morale.					
8	Represents the University well to the community beyond the campus.					
9	Executes school's annual plans sincerely.					
10	Does not exceed his authority nor ask the board to make decisions that he should make on his own.					
11	Overall, performs his role in an excellent manner.					
12	Overall rating: <input type="checkbox"/> Excellent (45+) <input type="checkbox"/> Good (35-44) <input type="checkbox"/> Average (25-34) <input type="checkbox"/> Fair (20-33) <input type="checkbox"/> Poor (11-19)					

Appendix III

Chairman Evaluation

This evaluation should be done by the board members annually. This evaluation will be used for the betterment of the chairman's administration and communication purpose only. Please mark the appropriate place to each question.

Poor	Fair	Average	Good	Excellent
1	2	3	4	5

No	Question	1	2	3	4	5
1	Discusses the role and responsibilities of the Chair with the board.					
2	Is well prepared for board meetings.					
3	Helps the board to stick to the agenda.					
4	Ensures that every board member has an opportunity to be heard.					
5	Is skilled at managing different points of view.					
6	Can be tough on board members as a group when they get out-of-line.					
7	Knows how to be direct with an individual board member when their behavior needs to change.					
8	Helps the board work well together.					
9	Demonstrates good listening skills.					
10	Is supported by the board.					
11	Is effective in delegating responsibility amongst board members.					
12	Overall rating: <input type="checkbox"/> Excellent (45+) <input type="checkbox"/> Good (35-44) <input type="checkbox"/> Average (25-34) <input type="checkbox"/> Fair (20-33) <input type="checkbox"/> Poor (11-19)					

Appendix IV

Board Meeting/Sub-committee Evaluation

Much of Horizon University’s work is being done in meetings or committees. We develop the following form to provide feedback on the effectiveness of various committee meetings. Please rate committee or meeting performance on a scale of 1 to 5 with representing “excellent” and 1 representing “poor.”

Name of Committee or Meeting: _____

Chair: _____

Clerk: _____

List of Members: _____

Frequency of Meeting: _____ (monthly) _____ (quarterly) _____ (other)

Academic Year for Evaluation: _____

Poor	Fair	Average	Good	Excellent
1	2	3	4	5

No	Question	1	2	3	4	5
1	The Committee meets frequently enough to meet objectives					
2	The agenda is well thought out in advance. The focus is on “major” not “minor” issues.					
3	Actions steps from last meeting are reviewed and status noted.					
4	Different opinions are encouraged. Communication is open and successful.					
5	The chair guides the meeting effectively by allowing and encouraging discussion but staying on agenda.					
6	Members participate responsibly and enjoy being together.					
7	Decisions are reached after sufficient deliberation.					
8	Next steps are identified and responsibilities assigned.					
9	The meeting begins and ends on time.					
10	A written record is made of the action steps.					
11	Overall rating: <input type="checkbox"/> Excellent (45+) <input type="checkbox"/> Good (35-44) <input type="checkbox"/> Average (25-34) <input type="checkbox"/> Fair (20-33) <input type="checkbox"/> Poor (11-19)					

AFFIDAVIT RE: CONFLICT OF INTEREST POLICY

As a member of the Board of Directors of Horizon University, I have read and understood the Conflict of Interest Policy in the Board Handbook which provides as follows:

Conflict Of Interest Policy

Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. Governing board obtains signed statements from each board member annually and followed. By signing the policy members agree to disclose potential and actual conflicts and act in accordance with the policy.

Definition

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

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

- (1) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Conflict of Interest Avoidance Procedures

(a) Duty to Disclose.

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

(b) Determining Whether a Conflict of Interest Exists.

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

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making a further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to

disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

I hereby agree to and will comply with policies, procedures, and other guidelines set forth in the Conflict of Interest Policy stated herein above, without reservation.

Date: _____

Signature: _____

Name: _____