

## **POLICIES AND PROCEDURES**

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1. **LAND USE**

**PURPOSE AND OBJECTIVE.** The purpose of this policy is to provide the association with framework by which it can measure, address, and direct land use issues that affect Ventura County agriculture. The Farm Bureau of Ventura County seeks to influence a land use policy in the county that is arrived at by orderly and representative means. It also seeks a land use policy that not only benefits agriculture, but also works for the overall, comprehensive public good. The fundamental objective of FBVC's policy is to maintain the long term integrity and viability of commercial agriculture.

1.1 **PROCESS.** Land use decisions should be made using the orderly due processes of local representative government in administering laws and regulations promulgated by state legislative action. In Ventura County, FBVC supports the full use of the General Plan process, the Guidelines for Orderly Development, and the Local Agency Formation Commission in addressing land use issues.

FBVC believes that judicious and sound land use decisions cannot be made using the initiative or referendum processes. Land use is a complicated issue having profound economic and social consequences for the entire community over the long term. Deliberative government processes which take into account the interests of all stakeholders, including landowners, result in the most appropriate land use decisions.

1.2 **AGRICULTURE AN ULTIMATE USE.**

Agriculture is sometimes viewed as a temporary land use until a "higher and better use" surfaces, or as a resource of inexpensive or remote land for particular government or private projects. This attitude undermines the integrity of agricultural zoning designations and threatens the long-term viability of commercial agriculture.

Agriculture is an important land use providing substantial long-term economic and social benefits to the community. The stature of agricultural zoning should be considered equal to that of other zoning designations.

Agriculture by its very nature provides to the urban communities the amenity of open space. However, this is an incidental benefit. Land use policies should be guided by a recognition of genuine commercial, economic agricultural value.

In limited instances, it may be appropriate to rezone agricultural land for urban development. This is particularly the case where short-sighted

policy decisions in the past have established a pattern of incompatible adjacent land uses, such as small islands of farmland entirely surrounded by housing tracts or other sensitive sites. In such circumstances, rezoning of agricultural land may be desirable to allow for rational planning and orderly community development.

1.3 ADHERENCE TO GENERAL PLAN. The county General Plan is the fundamental building block for determining long-term land use policy in Ventura County. As such it must be adhered to by county government. The county General Plan further should not be exposed to predations from other government entities seeking to expand their land bases. Agriculturally zoned areas must be protected from encroachments by cities seeking to expand into areas outside of their own general plans or in areas outside of their spheres of influence. Cities' amendments to their general plans should be limited to areas within their spheres of influence. Similarly, public schools, federal and state institutions and other governmental entities with the power of eminent domain should respect the agricultural designations of the General Plan.

1.4 CITY BOUNDARIES. If agriculture is to be preserved in Ventura County, it is necessary to consider that cities must accept finite geographical boundaries, beyond which further expansion is not envisioned. The urban needs of the cities should, in the future, be met within these established city boundaries. FBVC supports development *within* established city boundaries, and believes consideration should particularly be given to high density and redevelopment type projects. If encroachment on to agricultural land must occur, then it should be done in a manner that is an efficient use of the land and that minimizes the impact to agriculture. It must also be recognized that any encroachment adversely affects the long-term viability of agriculture in Ventura County.

Restrictive urban boundaries are essential for the free market to recognize the values of urban land. By adhering to boundaries, value within the cities is created to promote re-development. Conversely, restrictive urban boundaries also protect agriculturally zoned lands by relieving from them speculative values created by urbanization pressures. Farmland that enjoys a free market based on agricultural values is essential for land to remain in long-term agricultural production.

1.5 GREENBELTS. Currently, agricultural greenbelt agreements are non-binding joint or co-adopted resolutions by cities, the county (when applicable), and LAFCO to agree to cooperatively administer a policy of non-annexation and non-development in specific areas. As cities determine their boundaries, an important consideration should be agriculture's need to have contiguous lands. Commercial agriculture is dramatically impeded where it is reduced to operating in "islands" within

broader urban areas. Currently there is physical linkage between prime farm lands in the Santa Clara and Las Posas Valleys and the Oxnard Plain. This connection is extremely important to the long-term success of Ventura County agriculture.

Therefore, FBVC strongly supports the strengthening of General Plan and other zoning regulations to stiffen and uphold the intent of agricultural greenbelts..

- 1.6 “PRIME” VERSUS “NON-PRIME” AGRICULTURAL LAND. A reasonable distinction between prime and non-prime agricultural land needs to be established and respected. “Prime” agricultural lands are generally defined as those being on plains and valley floor areas enjoying rich, deep soils, good drainage, and sound water supplies. “Non-prime” lands are normally those other lands in agricultural production without these amenities, such as hillsides and some canyons. These lands are less intensively farmed and generally support only low per-acre crop values.

FBVC land use policy is concerned with all agricultural land, but it is specifically directed towards the preservation of “prime” agricultural land which supports long-term, high value crop production. Recognizing that some additional agricultural lands will be absorbed by the cities as they rationalize their growth needs, general plans should direct this growth, where it is necessary, into “non-prime” areas.

FBVC recognizes that structures necessary for agricultural production, such as greenhouses, contribute to the economic vitality of the agricultural industry and are an integral part of farming and ranching operations. When necessary, FBVC encourages thoughtful and responsible mitigating measures for impacts resulting from these structures on agricultural land and resources.

Although FBVC recognizes that such agriculture-related structures as packinghouses and distribution centers contribute to the economic vitality of the agricultural industry, their construction on prime agricultural land may result in the loss of that land for future crop production. Such structures, particularly when they incorporate solid foundations and do not require direct access to topsoil, should be sited whenever feasible on lands already zoned for industrial or other non-agricultural urban uses.

Ventura County must accommodate a variety of sometimes competing land uses. It is recognized that some key “prime” land parcels, because of location, must be looked at situationally. In these cases care must be taken not to subvert the overall county General Plan with regard to agriculture lands.

- 1.7 **RIGHT TO FARM.** Viable agriculture means profitable agriculture. Agriculture in Ventura County is characterized by a growing interface with the urban community. It is important that agriculture have at its disposal the tools, cultural practices, and infrastructure necessary to produce crops that can succeed in a competitive marketplace. At the same time it is important that farmers be good neighbors to their urban neighbors. To protect agriculture's growing space and to insulate farmers from nuisances that can arise from the urban dwellers lack of understanding about necessary cultural practices, FBVC strongly urges that county government and cities adopt comprehensive right to farm ordinances. These ordinances should not only recognize basic farm practices but also the need for related farm services such as transportation and packing house facilities.
- 1.8 **CONSERVATION PROGRAMS.** FBVC promotes the long-term vitality of commercial agriculture in Ventura County. In general, we favor maintaining agricultural land without deed restrictions to provide agricultural owners with the maximum ability to manage their resources. However, we realize in an urbanizing environment it is sometimes practical to allow deed restrictions in order to provide for continued commercial agriculture. As such, we support programs such as voluntary conservation easements and development rights transference, and more importantly, the property tax benefits as provided under the Land Conservation (Williamson) Act, in order to maintain the long term economic agricultural productivity of farmland.

## **2. RESERVES & INVESTMENTS**

The purpose of this policy is to provide the Association with a prudent reserve and investment policy to cushion against unexpected changes in operating expenses or income.

- 2.1 **RESERVES LEVEL.** The Board of Directors shall maintain a reserve fund of not less than \$100,000.
- 2.2 **INVESTMENTS.** The reserve fund shall be maintained in FDIC insured accounts, with the exception that up to 15% of the funds may be held in non-FDIC accounts.

## **3. PURCHASE AUTHORIZATION**

The purpose of this policy is to establish purchase authorization levels and designate the responsible parties.

- 3.1 **MAJOR PURCHASES.** All major purchases should be included in the annual association capital budget approved by the Board of Directors.

- 3.2 OVER \$1,000. All purchases greater than \$1,000 and not specifically approved in the current year budget must be approved by the Board of Directors. If the purchase timing is critical, the expenditure may be approved by the Executive Committee acting on behalf of the Board as provided in the Bylaws. In such cases the Board of Directors shall receive within four weeks a copy of the Executive Committee minutes for the meeting in which the action was approved.
- 3.3 OVER \$5,000. All purchases greater than \$5,000 must be approved by the Board of Directors. If the purchase timing is critical, the expenditure may be approved by the Executive Committee acting on behalf of the Board as provided in the Bylaws. In such cases the Board of Directors shall receive within four weeks a copy of the Executive Committee minutes for the meeting in which the action was approved.

4. **BOARD FUNCTION, STRUCTURE, AND DIRECTOR EXPECTATIONS**  
PURPOSE AND OBJECTIVE. The purpose of this policy is to provide clear guidance to board members regarding the way the board functions as a body, and FBVC expectations of individual board members. This policy is intended to augment the FBVC by-laws.

- 4.1 **BOARD FUNCTION.** The Farm Bureau board fulfills two basic functions: governance of the organization, and support of the organization. In its governance role, the board acts as a body, represents members' interests to the organization, and is the decision-maker. In this role, the board's primary functions are to periodically reevaluate organizational effectiveness; define strategy, policy and programming; monitor and ensure financial health; hire and evaluate the CEO; and represent members' interests.

In its support role, board members act as individuals, represent FBVC's interests to the membership, and act with and at the direction of staff. In this role, the board's primary functions are to act as ambassadors to the membership and to support staff functions as needed.

- 4.2 **BOARD STRUCTURE .** The FBVC consists of 13 people elected by the membership for a term of 3 years. One third of the Board is elected each year. The organization seeks to balance two important needs of the board. First, it will seek to maintain continuity by retaining some members for several terms to ensure clear comprehension of the evolution in strategic thinking and of programming. Second, it will actively recruit new members who will bring fresh ideas and thinking to ensure vitality and relevance to the membership's evolving needs.

- 4.3 OFFICERS. The board annually elects the following officers: President, 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President, Secretary, and Treasurer. Traditionally, these officers serve for two years. These five officers shall serve on the EXECUTIVE COMMITTEE. In order to provide continuity, and to prepare future presidents, it is expected that officers will progress through the offices of Second Vice President, First Vice President, and President, and it is encouraged that future presidents progress through all offices (ie: the treasurer will eventually serve as president). The duties of the officers include the following:

**PRESIDENT:**

- Performs all duties specified in FBVC by-laws.
- Chairs the Executive Committee.
- Develops board meeting agendas with the CEO.
- Provides direct supervision of the CEO.
- Mentors 1<sup>st</sup> Vice President in preparation for presidential duties.

**1ST VICE PRESIDENT:**

- Performs all duties specified in FBVC by-laws.
- Co-chairs the MEMBERSHIP COMMITTEE.
- Chairs additional committees as required.
- Familiarizes him/herself with procedures, personalities, etc. in preparation for being president.

**2ND VICE PRESIDENT:**

- Performs all duties specified in FBVC by-laws.
- Co-chairs the MEMBERSHIP COMMITTEE.
- Chairs additional committees as required.

**SECRETARY**

- Performs all duties specified in the bylaws of FBVC.
- Reviews official minutes before distribution.

**TREASURER**

- Performs all duties specified in the bylaws of FBVC.
- Reviews financial reports prior to distribution and may deliver financial reports to the board.

4.4 **STANDING COMMITTEES**

4.4.1 Executive Committee fulfills governance functions as follows:

- performs all duties specified in the by-laws of FBVC.
- solicits input from the board and nominates annual slate of officers to be voted on by full board.

- develops work plan with CEO; performs annual CEO evaluation, both with input from board.
- 4.4.2 Membership Committee fulfills support functions as follows:
- Recruits new members.
  - Provides opportunities for membership involvement.
- 4.4.3 Young Farmers and Ranchers fulfills support functions as follows:
- Serves as recruitment vehicle and introductory path for young FBVC members.
  - Elects its own chair who attends board meetings as an advisory member.
- 4.5 DECISION-MAKING PROTOCOL. Consensus is the preferred decision-making method. Consensus means that there is no strong objection by any one or more Board members, and those who are not in full accord give their consent to the balance of the Board. If consensus cannot be achieved or consent is not given, we will adopt majority rule through votes.
- 4.6 BOARD MEMBER EXPECTATIONS.
- Familiarity with and adherence to legal obligations of board members.
  - Attendance at an annual board orientation session.
  - Commitment to know the organization and the environment in which it operates.
  - Attendance at all board meetings unless prevented by a compelling reason.
  - Thorough preparation for meetings: review materials and understand pertinent policies.
  - Thorough discussion of issues before voting on them.
  - Knowledge of and adherence to FBVC's Conflict of Interest policy. Disclose actual or apparent conflicts of interest, and abstain from deliberations and voting on any matter in which the director has a personal financial interest or other conflict.
  - Maintain the confidentiality of discussions and actions taken by the board in executive session.
  - Commitment to improvement.
  - Commitment to speak with one voice – do not take public positions contrary to FBVC policy or positions.
  - Sincere support for the CEO as the spokesperson for the organization.
  - Identification as a Farm Bureau director when speaking in public, when appropriate.
  - Act with undivided loyalty.



5. **CEO RELATIONSHIPS**

The purpose of this policy is to define the relationships between the Chief Executive Officer and the Board of Directors, the Executive Committee, and the President. Nothing herein shall be construed as taking precedence over the association Bylaws.

- 5.1 **EMPLOYMENT AND REPORTING.** The Board of Directors shall have sole responsibility for the employment of the Chief Executive Officer. The Chief Executive Officer serves at the pleasure of the Board and is responsible to it for the performance of all associated duties. The Chief Executive Officer reports to the Board of Directors.
- 5.2 **REVIEW.** The performance of the Chief Executive Officer shall be reviewed annually by the Executive Committee. This review is to be based on an assessment of performance against the job description of the Chief Executive Officer and on any goals and objectives that may have been agreed upon since the last review.
- 5.3 **SUPERVISION.** The President of the Association provides direct supervision of the Chief Executive Officer to insure the implementation of those policies and directives adopted by the Board of Directors. The Chief Executive Officer solely is responsible for Association staff personnel decisions and for directing the activities and procedures of the Association staff in a manner that best meets the goals and objectives of the Board of Directors.

6. **ADDRESSING ISSUES**

The purpose of this policy is to define how issues of potential concern to the Farm Bureau are surfaced, and how they are evaluated as to suitability for Farm Bureau action.

- 6.1 **SURFACING.** Potential issues are brought to the attention of the Board of Directors by Board members, the Chief Executive Officer, or state Farm Bureau staff on behalf of the membership. Association members seeking Board attention on an issue should work through one of these parties. Board members have a responsibility to seek input from members and be receptive to member concerns.
- 6.2 **PRELIMINARY REVIEW.** The Board of Directors then reviews and assesses the potential issue based on the Association Mission Statement, and other existing policies, to determine whether or not it is appropriate for the Farm Bureau to become engaged or to take a position. The "Engagement Matrix" below is provided to guide the Board in this process. If the answer to the question to engage is no, no further action is taken.

- 6.3 RESEARCH AND RECOMMENDATIONS. If the answer is yes, then the Board directs staff, and/or refers the matter to an existing committee or appoints an ad hoc committee, to research the issue and make recommendations back to the Board.
- 6.4 ACTION. The Board reviews the research and recommendations and takes appropriate action.
- 6.5 ENGAGEMENT MATRIX. When an issue is considered by the Board of Directors for potential FBVC activity, key decision criteria should be evaluated. Some of these criteria are outlined in the matrix below. The final decision as whether to engage should represent the cumulative impact of the factors. There is a recognition that some battles do not warrant the allocation of scarce resources.

CHARACTERISTIC	STRONGER CONSIDERATION	WEAKER CONSIDERATION
Breadth of issue	Countywide	Local or Commodity
Extent of impact	Deep or Long-term	Shallow or transitory
Mission alignment	High	Low
Ability of FBVC to make difference or to effect change	High	Low
Imminence of impact to ag	Near-term	Distant
Credibility of ag	High	Low
Positive Impact on both rural & urban	Yes	No

**7. TAKING POSITIONS**

The purpose of this policy is to define how Farm Bureau decides what position to take on an issue, after evaluation using the Engagement Matrix has determined that it is appropriate for the organization to become involved.

- 7.1 POSITION CRITERIA When the Board of Directors has determined that Farm Bureau engagement in an issue is warranted, key criteria must be evaluated before the board decides whether to support, oppose or take some other position with respect to a proposed action or policy decision. Some of those considerations are described below. The final decision should reflect the cumulative impact of these factors.

1. Is the issue directly related to the ability of farmers and ranchers to conduct necessary and customary agricultural activities?
2. Is the issue relevant to all or most of Ventura County’s agricultural community?
3. Does existing FBVC policy provide clear guidance as to the appropriate position to take?
4. If the answer to No. 3 is affirmative, will taking the position indicated by existing FBVC policy place the organization in direct opposition to the personal interest(s) of one or more of its members?

5. What position have other agricultural organizations, statewide and local, taken on the issue?
6. Will the Farm Bureau's position on the proposed action or policy influence the process or outcome?
7. If existing FBVC policy does not provide clear guidance on a particular issue, what position will best reflect the organization's values and principles?
8. What position, if any, has FBVC taken with respect to similar or analogous issues in the past?
9. Can California Farm Bureau Federation policy or staff provide guidance? Has CFBF taken a formal position on a similar issue?
10. How will FBVC's position affect the public perception of Ventura County agriculture?

7.2 DUTY OF LOYALTY. Regardless of personal view, directors are required to support and promote the policies, goals and decisions of Farm Bureau. After the Board has taken a position on an issue, all Board members must support that position even if they were not part of the majority that approved it. It should be understood that a decision not to support or oppose a proposed action or policy is, in effect, the same as taking a position of neutrality on that action or policy. It is therefore preferable that the Board formally adopt a position of neutrality, if that is determined to be appropriate, rather than avoid taking a position on a matter of substantial importance to the membership.

## 8. **NOMINATION OF DIRECTORS**

The purpose of this policy is to outline procedures designed to ensure that the Board of Directors is responsive and accountable to the needs and desires of its membership.

- 8.1 NOMINATION COMMITTEE. A Nomination Committee shall be appointed by the President at the February Board meeting each year, the composition of which shall be in accordance with association Bylaws.
- 8.2 CURRENT DIRECTORS POLLED. By the March Board meeting, current Directors shall be individually polled by the committee as to whether or not they wish to be re-nominated to the Board.
- 8.3 REPRESENTATION. The committee shall consult together and with other parties to develop a list of candidates for the election ballot. An effort will be made to consider gender, geographic, and commodity representation.
- 8.4 MEMBER PARTICIPATION. The Board annually will solicit nominations from its membership, to be considered by the Nominating Committee.

8.5 CHOICE. To ensure choice, the committee shall always select two nominees more than there are positions available. Incumbent nominees may be so designated on the ballot.

8.6 ELECTION. The election shall proceed at the Annual Meeting in accordance with association Bylaws. At the Board's option, mail return election ballots may be sent to the membership prior to the annual meeting, provided members are also allowed to turn in ballots at the annual meeting following an introduction of candidates.

9. **NOMINATION OF STATE DIRECTOR**

The purpose of this policy is to provide a basis for the selection of a nominee for regional state Farm Bureau director. The State Director position is informally rotated between Santa Barbara County and Farm Bureau of Ventura Countys. The rotation is not consistent, however, and the objective is to nominate the best representative for both counties.

9.1 CAUCUS. In June of each year affected by a likely Director change, it is suggested the Executive Committees of each county Farm Bureau caucus to discuss the nomination.

9.2 NOTICE. In the event a Ventura County nominee is desirable, the Chief Executive Officer shall notice the availability of the position and the ability to make qualified nominations to the general membership via the Association Newsletter.

9.3 SELECTION. The Board of Directors shall than review the nominations and select the State Director nominee at its September meeting. The Board may delegate this selection task to the Executive Committee.

9.4 INFORM SANTA BARBARA. The Chief Executive Officer shall advise the Santa Barbara County Farm Bureau of the Ventura candidate. It is suggested the Ventura candidate travel to a Santa Barbara County Farm Bureau Board meeting prior to the Annual State Conference held in early December.

10. **CANDIDATE ENDORSEMENT POLICY**

The Farm Bureau of Ventura County has a long-standing practice of being non-partisan in elections and not endorsing political candidates running for federal, state, county or municipal office. This practice has been in place as policy for a number of decades, with only a couple of minor deviations related to a major district water board.

The reason for this policy is to allow individual Farm Bureau members, including county officers, to endorse any candidate they wish while not compromising the interests and objectives of the association as a whole. It is felt that long term FBVC objectives and relationships important to the entire membership should not be risked in the political cross-fires that might result from being drawn into candidate activities. An underlying premise has been that political affiliation is an individual matter and should not enter into members' organizational support for the Farm Bureau of Ventura County.

The purpose of documenting what has been unwritten policy is not to restrict the Board of Directors from exercising its legitimate powers. It is intended to provide a framework for evaluating the endorsement process and to guide Boards through the political minefield should they consider entering into the endorsement arena. Though not encouraged, it is recognized there may be times when the Board considers a political endorsement on behalf of its membership to be appropriate and advised.

## GUIDELINES FOR ENDORSEMENT

### 10.1 FEDERAL CANDIDATES: Never

### 10.2 STATE CANDIDATES

- a. Partisan Offices: Never
- b. Non-partisan Offices: Highly Unlikely

### 10.3 LOCAL CANDIDATE CRITERIA

- a. Degree of Impact. Broad positive impact on membership important. For example, a countywide position warrants greater consideration than a city race. Also, a non-partisan race endorsement has less potential to negatively impact FBVC than a partisan endorsement.
- b. Probability of Success. Candidate has a high probability of being elected. There should be a clear distinction that the candidate seeking FB endorsement is truly electable and not simply someone FB is philosophically aligned with.
- c. Linkage. There should be a demonstrated linkage that the candidate's election will be to the betterment of Ventura County agriculture, and that there is high potential for an active and positive post-election relationship with FBVC.
- d. Makes a Difference. There should be a high likelihood of FBVC's endorsement having a positive impact on the candidate's electability. (Caution: Even though FB members are philosophically aligned with a candidate, because of FB's position on prior issues its endorsement may actually result in negative impacts on the electability of a candidate. The Board must remain cognizant that

the agricultural community is a distinct numerical minority in the community.)

- e. *Assessment of Downside*. The Board has a clear and honest assessment of the downside to the membership if the endorsed candidate is not successful and a relationship must be built with an opponent.
- f. *Consideration of Alternatives*. As an alternative to outright endorsement, there is the possibility of contributing to a candidate's campaign as individuals or as members of the Board. Individual board members can share their commitment to a candidate with others or in fact take an active roll in a candidate's campaign. Also, there is often the possibility of contributing to a PAC that has a position of supporting a candidate, thereby achieving a degree of insulation against any negative repercussions that might otherwise accrue back to the association.

#### 11. **BOARD COLLABORATIONS**

With increasing frequency, Farm Bureau of Ventura County is requested to participate in collaborative efforts with other groups and stakeholders (in and outside of our industry) to address regulations and other areas of common concerns. Most times it is in our members' and industry's best interest to join these efforts.

From time to time, our association is asked to provide various levels of administrative oversight and support for the activities of these collaborative efforts. This has included but not been limited to financial oversight and record keeping, clerical support, bulk mailing services, event coordination and other activities commonly performed by non-profit associations.

Historically, sub-committees of the FBVC Board of Directors have been formed with the highest levels of involvement and administrative support. This provides legal status, liability coverage for the activities and participants, audit oversight, legal services as well as the benefit of the creditability of Farm Bureau.

The purpose of this statement of Principle of Practices is to set forth the general policy oversight direction of the Board of Directors by which Farm Bureau of Ventura County can participate and provide requested services in such a manner that assures the protection of the association and the continued positive perception of the association by its membership and the community at large.

The following principles will serve as a frame work for each individual Memorandum of Understanding, Joint Powers Agreements and / or other contracts that are created to facilitate the goals and objectives of the committee:

- 11.1 **AGREEMENT.** As a prelude to any request to the Board of Directors for the formation of a Board sub-committee involving groups outside the Farm Bureau, a letter of agreement with the signatures of all participants of the proposed collaborative effort shall be executed. This agreement shall briefly set forth the roles and responsibilities of the respective parties including the Farm Bureau Board of Directors. This agreement may serve as the sole document memorializing the activities of the collaborative effort or serve as the basis for a more elaborate document based on the complexity of the issues involved or the needs of the group.
- 11.2 **LIAISON.** Each formed sub-committee shall have a least one Board member or Board-designated participant who is in a leadership role and serves as a liaison to the Board of Directors.
- 11.3 **REVIEW.** All legal documents generated shall receive CFBF legal review prior to submission for approval by the Board of Directors.
- 11.4 **OVERSIGHT.** Any use of Farm Bureau services such as (but not limited to) mailing permits and banking services shall only be used with direct Farm Bureau staff oversight.
- 11.5 **NOTICES.** Any notices of events containing FBVC name or mark shall not be released without Farm Bureau's prior approval.

12. **CONFLICTS OF INTEREST**

**PURPOSE.** The Farm Bureau of Ventura County (FBVC) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for continued member support. Therefore, the IRS as well as state regulatory and tax officials view the operations of FBVC as subject to scrutiny by, and accountable to, such governmental authorities as well as to its members.

Consequently, there exists between FBVC and its Board of Directors, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and management employees have the responsibility of administering the affairs of FBVC honestly and prudently and of exercising their best care, skill, and judgment for the sole benefit of FBVC. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with FBVC or knowledge gained thereby for their personal benefit. The interests of FBVC must be the first priority in all decisions and actions.

- 12.1 **PERSONS CONCERNED.** This statement is directed not only to directors and officers, but also to all employees who can influence the actions of

FBVC. For example, this would include all who make purchasing decisions, all persons who might be described as “management personnel,” and anyone who has proprietary information concerning FBVC.

- 12.2 AREAS WHEREIN CONFLICT MAY ARISE. Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:
- a. Persons and firms supplying goods and services to FBVC.
  - b. Persons and firms from whom FBVC leases property and equipment.
  - c. Persons and firms with whom FBVC is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
  - d. Competing or affinity organizations.
  - e. Donors and others supporting FBVC.
  - f. Agencies, organizations, and associations that affect the operations of FBVC.
  - g. Family members, friends, and other employees.
- 12.3 NATURE OF CONFLICTING INTEREST. A conflicting interest may be defined as an interest, direct or indirect, with any persons, organizations or firms mentioned in Section 3. Such an interest might arise through:
- a. Owning stock or holding debt or other proprietary interests in any third party dealing with FBVC.
  - b. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with FBVC.
  - c. Receiving remuneration for services with respect to individual transactions involving FBVC.
  - d. Using FBVC’s time, personnel, equipment, supplies, or good will for other than FBVC-approved activities, programs, and purposes.
  - e. Receiving personal gifts or loans from third parties dealing or competing with FBVC. Receipt of any gift is disapproved except gifts of a value less than \$500, which could not be refused without discourtesy. No personal gift of money should ever be accepted.
- 12.4 INTERPRETATION OF THIS STATEMENT OF POLICY. The areas of conflicting interest listed in Section 11.2, and the relations in those areas which may give rise to conflict, as listed in Section 11.3, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relations by analogy.

The fact that one of the interests described in Section 12.3 exists does not



necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of FBVC.

However, it is the policy of the Board that the existence of any of the interests described in Section 11.3 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make necessary and appropriate disclosures.

12.5 DISCLOSURE POLICY AND PROCEDURE. Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- a. The conflicting interest is fully disclosed;
- b. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
- c. A competitive bid or comparable valuation exists; and
- d. The Board or a duly constituted committee thereof has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the Chief Executive Officer, who shall bring the matter to the attention of the Board or a duly constituted committee thereof. Disclosure involving directors should be made to the Board president, or if she or he is the one with the conflict, then to the Chief Executive Officer, who shall bring these matters to the Board or a duly constituted committee thereof.

The Board or a duly constituted committee thereof shall determine whether a conflict exists and, in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to FBVC. The decision of the Board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of FBVC and the advancement of its purposes.

12.6 GIFTS, CONSIDERATION AND REMUNERATION. As part of its conflict of interest policy, FBVC requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with FBVC or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

- a. "Responsible Person" is any person serving as an officer, employee

- or a member of the Board of Directors of FBVC.
- b. "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a responsible Person.
  - c. "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to FBVC is not a "contact" or "transaction."
  - d. Except as approved by the President or his designee, or for gifts of a value less than \$500 which could not be refused without discourtesy, no responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:
    - i. Does or seeks to do business with FBVC or,
    - ii. Does or seeks to compete with FBVC or,
    - iii. Has received, is receiving, or is seeking to receive a contract or transaction with FBVC.

13. **RECORD RETENTION**

PURPOSE. The corporate records of Farm Bureau of Ventura County and its subsidiaries (Organization) are important assets. Corporate records include essentially all records produced by the organization's employees, whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract, or a case study, or, something not as obvious, such as a computerized desk calendar, an appointment book, or an expense record.

The law requires the organization to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject employees and the organization to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the organization in contempt of court, or seriously disadvantage the organization in litigation.

The organization expects all employees to fully comply with any published records retention or destruction policies and schedules, provided that all employees should note the following general exception to any stated destruction schedule: If you believe, or the organization informs you, that organization records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until the legal department determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If you believe that exception may apply, or have any question regarding the possible applicability of that exception, please contact the California Farm Bureau Federation legal department.

From time to time the organization establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors.

<b>File Category</b>	<b>Item</b>	<b>Retention Period</b>
<b>Corporate Records</b>	Bylaws and Articles of Incorporation	Permanent
	Corporate resolutions	Permanent
	Board and committee meeting agendas and minutes	Permanent
	Conflict-of-interest disclosure forms	4 years
<b>Finance and Administration</b>	Financial statements (audited)	Permanent
	Auditor management letters	Permanent
	Payroll records	6 years
	Journal entries	6 years
	Check register and checks	6 years
	Bank deposits and statements	6 years
	Charitable organizations registration statements (filed with [State] Attorney General)	Permanent
	Chart of accounts	While active
	Expense reports	6 years
	General ledgers and journals (includes bank reconciliations, fund accounting by month, payouts allocation, securities lending, single fund allocation, trust statements)	6 years
	Accounts payable ledger	6 years
	Investment performance reports	6 years
	Investment consultant reports	6 years
	Investment manager correspondence	6 years
	Fixed asset records	6 years
	Contracts and agreements	7 years after all obligations end
	Investment manager contracts	6 years after all obligations end
Correspondence — general	3 years	

<b>File Category</b>	<b>Item</b>	<b>Retention Period</b>
<b>Insurance Records</b>	Policies — occurrence type	Permanent
	Policies — claims-made type	Permanent
	Accident reports	5 years
	Fire inspection reports	5 years
<b>Real Estate</b>	Deeds	Permanent
	Leases (expired)	6 years after all obligations end
	Mortgages, security agreements	6 years after all obligations end
	Purchase agreements	6 years after disposition requirement
<b>Tax</b>	IRS exemption determination and related correspondence	Permanent
	IRS Form 990s	Permanent
	Withholding tax statements	6 years after employment ends
	Correspondence with legal counsel or accountants, not otherwise listed	6 years after return is filed
	Timecards	6 years
<b>Communications</b>	Press releases	3 years
	Annual reports	Permanent (5 copies)
	Other publications	3 years
	Photos	3 years
	Press clippings	3 years
<b>Donor Services</b>	Fund agreements (paper and digital copies)	Permanent
	Correspondence — acknowledgment of gifts and grant requests	Permanent
	Donor fund statements	Permanent
<b>Community Philanthropy</b>	Records from advisory committee or family fund meetings, including minutes, if any, and list of grants recommended for approval.	7 years
	Scholarship grant records, including applications if foundation staff	7 years

<b>File Category</b>	<b>Item</b>	<b>Retention Period</b>
	participates in selection decisions	
	Approved grants — all documentation supporting grant payment, including application/recommendation, due diligence, grant agreement letters, grant transmittal letters, and post-grant-reporting information, if any.	7 years after completion of funded program, or date of grant if general operating support
	Foundation funding requests, correspondence, and reports (funding received)	7 years after completion of program
	Declined/withdrawn grant applications	3 years
	Foundation funding requests (denied)	3 years
<b>Consulting Services</b>	Consulting contracts/filed	6 years after all obligations end
<b>Human Resources</b>	Employee personnel files	Permanent
	Retirement plan benefits (plan descriptions, plan documents)	Permanent
	Employee medical/benefit records	Permanent
	Employee handbooks	5 years after updating
	Workers comp claims (after settlement)	5 years
	Employment applications/resumes	2 years
	IRS Form I-9 (store separate from personnel file)	Greater of 1 year after end of service, or 3 years
	Safety (OSHA) reports	5 years
	Employee claims and investigations	5 years after disposition
	Group disability records	6 years after end of benefits
	Software licenses and support agreements	7 years after all obligations end
	Group disability records	7 years after end of benefits
<b>Technology</b>	Software licenses and support agreements	7 years after all obligations end
<b>Library</b>	Other foundations' annual reports	2 years
	Directories and periodicals	2 years

<b>File Category</b>	<b>Item</b>	<b>Retention Period</b>
<b>General Administration</b>	Correspondence — chief executive and general	7 years
	Appointment calendars — chief executive	7 years

Failure to comply with this Document Retention Policy may result in punitive action against the employee, including suspension or termination. Questions about this policy should be referred to the chief executive officer, who is in charge of administering, enforcing, and updating this policy.

**14. WHISTLEBLOWER PROTECTION**

**PURPOSE.** The Farm Bureau of Ventura County’s (FBVC) Personnel and Conflict of Interest policies (Policies) require directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of FBVC, we must practice honesty and integrity in fulfilling our responsibilities, and we must comply with all applicable laws and regulations.

**14.1 REPORTING RESPONSIBILITY.** It is the responsibility of all directors, officers, and employees to comply with all applicable laws, regulations and corporate policies, and to report violations or suspected violations in accordance with this Whistleblower Policy.

**14.2 NO RETALIATION.** No director, officer, or employee who in good faith reports a violation or suspected violation of laws, regulations or corporate policies shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within FBVC prior to seeking resolution outside the organization.

**14.3 REPORTING VIOLATIONS.** FBVC maintains an open-door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, the chief executive officer is in the best position to address an area of concern. However, if you are not comfortable speaking with the CEO or you are not satisfied with the CEO’s response, you are encouraged to speak with any member of the FBVC Board of Directors whom you are comfortable approaching.

**14.4 COMPLIANCE OFFICER.** The compliance officer is responsible for investigating and resolving all reported complaints and allegations

concerning violations of laws, regulations or corporate policies and, at his or her discretion, shall advise the Executive Committee. The CEO is designated by the Board of Directors as the compliance officer.

14.5 ACCOUNTING AND AUDITING MATTERS. The Executive Committee of the Board shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The compliance officer shall immediately notify the Executive Committee of any such complaint and work with the Committee until the matter is resolved.

14.6 ACTING IN GOOD FAITH. Anyone filing a complaint concerning a violation or suspected violation of the laws, regulations or corporate policies must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation has occurred. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

14.7 CONFIDENTIALITY. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

14.8 HANDLING OF REPORTED VIOLATIONS. The compliance officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within 3 business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

15. **MEMBERSHIP STATUS**

Consistent with the By-Laws of the California Farm Bureau Federation, the Farm Bureau of Ventura County, and the Uniform Membership Agreement by and between the two parties, the status of a Ventura County Farm Bureau membership (agricultural, associate or collegiate) shall be at the sole discretion of the Board of Directors of the County Farm Bureau. This includes all classifications of membership that exist on this date (4/9/08) or may be created in the future.