

TOASTMASTERS INTERNATIONAL
Rancho Santa Margarita, California

Minutes of the 2005-2006 Board of Directors
Hilton Washington Hotel, Washington, DC
August 21-23, 2006

INDEX

Executive Committee – Page 5
Committee of the Whole – Page 6
GAP Committee – Page 6

DA Committee – Page 8
MAE Committee – Page 9
Strategic Planning Committee – Page 10

The third and final meeting of the Board of Directors of Toastmasters International for the 2005-2006 administrative year convened at 1:30 p.m., August 21, 2006, President Dilip Abayasekara, DTM, presiding. The other officers and directors present were: Greiner, Uy, Ford, Barnhill, Albright, Baker, Bienia, Emond, Fair, Garber, Hastings, Heinsch, Johnson, Lau, May, Miller, Notaro, Poirier, Starr-Cassidy, Thomas, Wallace, Wood. Executive Director Donna H. Groh was also present.

It was advised that the minutes of the February 16-17, 2006 board meeting were approved by electronic voting ballots in the form previously distributed to all Board members.

PRESIDENT’S REPORT

President Abayasekara reported on his visits and activities since February 2006, stating: What a ride this year has been! To pour oneself into work that is exhilarating and makes a significant positive impact for others and the organization one loves is one of life’s great privileges. That has been my joyous experience during this presidential year.

During visits to 10 districts, one territorial council, and two regional conferences, my wife, Sharon, and later my daughter, Allison, experienced with me first hand the tremendous enthusiasm of our members for the Toastmasters program. We visited more than 3000 members and guests of our worldwide family in Puerto Vallarta, Mexico, Los Angeles and San Bernardino, CA, Morgantown, WVA, Emmitsburg, MD, DuPont, WA, Washington, DC, Greensboro, NC, Houston, TX, Chicago, IL, Winnipeg, Manitoba, Canada, Oklahoma City, OK, Minneapolis, MN, Colombo, Sri Lanka, and Bangalore, India. We were extended extraordinary hospitality and kindness. We thank all the Toastmasters who made these visits so productive and memorable. They gave special meaning to the theme, “Find Your Voice. Serve Your World.”

In terms of our organizational performance we have some sobering as well as some heartening results. This year, 28 districts, 37%, were distinguished, representing a decrease from last year. Our total membership grew to nearly 215,000, an increase of 1% over last year. Much of this membership growth came from districts outside North America where the membership growth rate was 4%. 836 new clubs were created, the greater percentage coming from districts outside North America.

The Distinguished Club Program results are heartening. 44.6% of our clubs were distinguished, showing a 1.1% increase over last year's results. There were increases in every category of educational awards, including leadership excellence awards.

Our organization continues to advance in strategically significant ways. More than ever, our Board members are involved with increasingly more strategic agenda items. In keeping with our goal of making leadership development as important as communication development, we released the new Competent Leadership manual this year, which has been received very enthusiastically by the membership. The leadership development track was further strengthened with our new recognition system. New educational designations – Competent Communicator and Advanced Communicator – seek to make these titles more relevant to non-Toastmasters in corporations and organizations.

Some major opportunities we face as an organization have to do with membership growth in mature districts and finding new and better ways to support, serve and adapt to the needs of our fast-growing areas outside North America. This year, when two districts were disqualified from the Distinguished District Program, it suggests that we need to stress that while being distinguished is important, doing so at the cost of ignoring our core values is not acceptable and is detrimental to the wellbeing of our members. An appreciation for ethical responsibility must be built into our leadership development programs.

While my stretch goals for membership and club growth were not reached, I am delighted that two other goals pertaining to our global growth were achieved: The growth in territorial councils in the Caribbean and in South Asia was recognized when the Board granted them provisional district status, welcoming them as District 81P and District 82P, respectively. Also, the clubs in China were granted territorial council status. My sincere thanks go to the dedicated leaders in these countries who made these transformations possible.

Successful completion of my presidential work would not have been possible without the help and hard work of a number of people. Among them are my dedicated fellow Board members, the extremely hard working and amazing World Headquarters staff and Executive Director Donna Groh, and my strongest supporter and best friend, Sharon, who faithfully accompanied me on every trip. My sincere thanks go to you and every member of our incredible organization.

May you always continue to 'Find Your Voice and Serve Your World.'

EXECUTIVE DIRECTOR'S REPORT

Executive Director Groh provided a summary of the progress of Toastmasters International from January 1, 2006, through June 30, 2006.

We continue to make steady progress in the pursuit of the strategies related to each of the objectives in our strategic plan. Specific work and progress to date is delineated for a number of the strategies below.

1. **Consistently achieve membership growth.**
 1. Increase retention of existing members.
 2. Increase recruitment of new members.
 3. Explore new mechanisms for building new clubs.
 4. Increase retention of existing clubs.
 5. Explore opportunities for the youth market.
 6. Increase visibility and accessibility of clubs.

For objective number one, the greatest amount of progress this year is related to strategies number five and six. We have concluded a three phase market research project to learn about whether TI could be a credible provider of programs to the youth market and what the best program format would be. This has been very exciting as the feedback is incredibly positive. A complete report and a proposal for program development was presented to the Board at this meeting.

The club finder mechanism on the website was re-vamped to make searching easy and flexible. Searches can be done by country, state, city, zip code, day of the week and time of day. Feedback has been very positive regarding the use of this tool.

2. **Increase the recognition of Toastmasters International as expert in the fields of communication and leadership.**
 1. Devise mechanisms to partner with corporations.
 2. Develop new models to provide materials to human resource professionals.
 3. Create strong branding and consistent marketing initiatives.
 4. Explore the creation of certificate programs for communication and leadership skills.
 5. Devise mechanisms to create awareness of our expertise.

For objective number two, good progress has been made related to strategies one and two. We have hired a coordinator of corporate relations who is beginning by mining and structuring the database to more easily identify the corporate relationships of our clubs. We have met with officials in the corporate university at Caterpillar, where we are already part of their course listing, to better understand their needs for training programs and learn from their experience in utilizing Toastmasters in their system.

We have also continued with our branding efforts by redesigning all products to have the same look and feel. This includes providing templates to our web hosting partner, freetoasthost.org. Clubs using this service will be supporting the consistent branding approach through the use of the templates.

3. **Become as well known for leadership development as for communication development.**
 1. Develop a structured leadership skills program.
 2. Explore the opportunities for marketing selected materials outside the organization.
 3. Explore licensing of materials to universities and other organizations.
 4. Develop mechanisms to create awareness of leadership program.

It seems somewhat self evident that we needed to have a more structured leadership skills program to form the basis for achievement of this objective. This year, we launched the new leadership manual that will be completed solely within the structure of the club meeting. Feedback so far has been very positive and the award applications have been coming in since the July 1 start date.

We continue to investigate opportunities to market selected materials outside the organization, which is closely related to some of the strategies under objective number two. Additionally, we co-branded with Kantola Productions a new enhanced DVD, entitled *Be Prepared to Speak*, that will replace the old videotape.

4. **Provide programs that are adaptable for different generations and cultures, and for emerging technologies.**
 1. Explore new materials and varied media.
 2. Explore different models of delivering program for various markets, including youth, corporations, etc.
 3. Develop strategic alliances with organizations and associations.
 4. Update existing materials to reflect contemporary usage and expectations.
 5. Use technology to provide online resources and support.

We have accomplished a great deal that will enable progress on this objective. As stated above, we completed an extensive market research study on opportunities for the youth market. Part of this involved dialogue with the leaders, both nationally and locally, of major youth organizations such as the YMCA, Scouts, and 4-H. The new program to be developed will utilize all the strategies listed for this objective as we move forward.

5. **Achieve global market penetration.**
 1. Create alliances with major international corporations and associations to grow Toastmasters outside North America.
 2. Leverage relationships with individuals and organizations (e.g. existing Toastmasters who work or live in other than their home country).
 3. Seek nontraditional approaches to promoting TI program in developing nations.
 4. Work with governments that have declared English as a second language.
 5. Send ambassadors to emerging markets to stimulate growth.

This objective is likely to be an end result of many other objectives. We have been sending ambassadors to emerging markets for several years to help encourage the growth potential, for example District 79 received visits from the Senior Vice President for several years during the district's formative period. This past spring, President Abayasekara visited the Territorial Council of South Asia and this fall Johnny Uy will visit the Territorial Council of China.

Another concrete step will be taken this fall when the Executive Director will participate in a study tour in China that is designed to bring together the individuals and agencies that would be involved with helping to expand our program there.

6. **Achieve excellence in the quality and consistency of programs, products, processes and services throughout the organization.**
 1. Ensure that programs, products, processes and services evolve to meet strategic objectives.
 2. Create a culture of continuous improvement.
 3. Create a service orientation at every level of the organization.
 4. Core values, integrity, dedication to excellence, respect for the individual, service to the member, will permeate all our activities.
 5. Enhance the culture of teamwork among volunteer leaders, members and World Headquarters staff.

At WHQ, we are striving to improve every aspect of our service with the goal of continuous improvement in all that we do. Many districts and clubs have also worked hard to improve their service to members worldwide. But we have farther to go. If we were a corporation like McDonalds, some of our clubs would lose their franchise for not providing a product that is consistent with our standards.

Additionally, this year, at least two of our districts lost their way and violated our core values as they pursued distinction in the Distinguished District Program. I am pained by the outcome of two districts being disqualified from the recognition program, but only by insisting on adherence to our standards can we be a world class organization.

EXECUTIVE COMMITTEE

Senior Vice President Johnny Uy reported for the Executive Committee, presenting items considered at its August 18-19, 2006 meeting:

1. International President Abayasekara reported on his activities since the February 2006 meeting.
2. Executive Director Groh provided a summary of the progress of Toastmasters International from January 1, 2006, through June 30, 2006.
3. The Committee reviewed and approved the proposed schedule of Presidential visits to districts for the year 2007-2008.
4. The Committee reviewed and approved the revised orientation program for the Board of Directors.
5. The Committee reviewed and approved the district signatories for bank accounts, as required by policy.
6. The Committee reviewed the proposed budget for fiscal year 2007 and recommended approval.

7. The Committee reviewed a proposal for a pilot to develop a new youth market program and recommended approval of the pilot not to exceed \$150,000.00. This funding will come from the Smedley Memorial Fund for research and development activities.
8. The Committee reviewed Policies and Procedures, Section VI D 9, Reimbursement for District Officers and Speech Contestants, and made the following change: The words “within the United States and Canada” were deleted from paragraph C, effective September 1, 2006.
9. The Committee reviewed and approved a request from District 60 to begin the process of reformation.
10. The Committee reviewed a request for a boundary change to include the country of Kenya within the boundaries of District 74 and made no change at this time.
11. The Committee reviewed Policies and Procedures, Section VI A 10, Visits to Districts by International Directors, and decided to make no changes at this time in light of the governance review project that will be conducted.

Item No. 8 recommended a change to policy. A separate vote was taken on this item and the item was moved and carried by the required two-thirds vote that the changes to policy be adopted.

It was moved and carried that the remaining items of the Report of the Executive Committee be accepted and the recommendations and actions of the Committee be approved.

COMMITTEE OF THE WHOLE

The Board reviewed and unanimously approved the proposed budget for fiscal year ending December 31, 2007.

GOVERNANCE AND POLICY COMMITTEE

The report of the Governance and Policy Committee was presented by its Chairman, Third Vice President Jana Barnhill, and covered the following:

1. The Committee reviewed the proposed boundary change between District 38 and District 46 and recommended that, effective July 1, 2006, Hunterdon County, New Jersey, be removed from the District 38 boundaries and added to the District 46 boundaries.
2. The Committee prepared the wording on a proposal to amend the Bylaws of Toastmasters International to remove the dues structure from the Bylaws and place it in policy and to remove redundant procedural information that is already in policy and recommended that, subject to the approval of the delegates at the 2007 Annual Business Meeting, the following

changes be made to the following Articles, with an effective date of August 25, 2007:
(deletions are struck out; additions are in bold)

Article III, Sec. 12, DUES AND ASSESSMENTS:

Each member club must pay to this corporation, within the time and on the terms set by the Board of Directors, membership dues ~~payments as are set forth in Article IV, Sec. 2,~~ and such other fees and charges as the Board may establish from time to time, as a condition of voting membership. For delegates at large, payment of membership dues ~~payments~~ to Toastmasters International on their behalf by their respective clubs shall be sufficient to maintain their voting membership in this corporation. Voting memberships in this corporation shall not be subject to mandatory assessments by this corporation or any part of this corporation.

Article IV, Sec. 2, MEMBERSHIP DUES PAYMENT:

(a) Each member club shall pay ~~an annual~~ membership dues of ~~\$54.00 per individual member in the club. Installments of \$27 per person all be paid~~ in advance, due April 1 and October 1 of each year, based on the total individual membership of the club as of those dues renewal report dates.

(b) At the time that a new individual member is admitted into a club, the club shall remit to Toastmasters International a new individual member fee, ~~as determined by the Board of Directors from time to time,~~ and a membership dues payment **prorated** membership dues for such new member equal to ~~\$4.50 per month~~ for the period commencing with the month of the person's admission and ending on the next dues renewal report date. ~~The Board of Directors may establish and modify policies, from time to time, for the postponement or reduction of membership dues payments in the event of a natural disaster affecting a member club's ability to pay.~~

(b) ~~The president or secretary of each member club shall prepare, on forms furnished by World Headquarters, a list of the names and mailing addresses of all individual members, and shall forward the list to World Headquarters, with remittance for the membership dues payment required, to be received at World Headquarters no later than April 10 and October 10 each year. Any club which fails to forward the remittance for a new individual member within sixty (60) days after admission of the new member, or fails to forward its semiannual remittance by May 31 for the April through September period and November 30 for the October through March period, shall be delinquent and not in good standing so long as the indebtedness remains unpaid. Such delinquency may be considered cause for World Headquarters to suspend or to terminate the member club in accordance with policies and procedures prescribed by the Board of Directors from time to time. The semiannual report shall also contain a list of all individual members dropped since the previous report, and such other information and data as may be required by the Board of Directors.~~

(c) **The amount of such dues and fees shall be as determined by the Board of Directors from time to time by a two-thirds vote of the entire Board.** ~~The Board of Directors may shall~~ establish and **may** modify from time to time policies **and procedures for the collection of dues payments, including proration of new clubs' payments,** ~~for the postponement or reduction of~~

membership dues payments in the event of a natural disaster **or other extenuating circumstances** affecting a member club's ability to pay, **or other appropriate measures**.

(d) The secretary of a member club shall, on request of an individual member in good standing, furnish such person with a letter or card showing the date to which the individual member's membership dues payment is made, which will entitle the person, when transferring to another club, to do so without paying to the other club any membership dues payment for that semiannual period.

~~Sec. 4. COLLECTION OF MEMBERSHIP DUES PAYMENTS. The Board of Directors shall establish, and may modify from time to time, policies and procedures for the collection of membership dues payments from member clubs, including proration of new clubs' payments and other appropriate measures.~~

Further, the Committee recommended that, subject to the approval of the amendment to the Bylaws of Toastmasters International as stated above, Policies and Procedures VI D 3 be amended as attached, effective August 25, 2007.

The Committee directed World Headquarters to execute timely communication regarding the amendment and the policy changes to ensure that delegates can make an informed decision at the 2007 Annual Business Meeting.

3. The Committee reviewed the nomination process and composition of the Toastmasters International Nominating Committee, in an effort to improve the process for nominating international officers, and identified areas for further review by World Headquarters and the Executive Committee. Improvements that can be implemented immediately are: to provide enhanced information to the committee members on their responsibilities; to encourage the committee to proactively seek qualified candidates; and to begin the work of the committee earlier.

Item No. 2 recommended a change to policy. A separate vote was taken on this item and the item was moved and carried by the required two-thirds vote that the changes to policy be adopted, pending approval of the bylaws change at the 2007 annual business meeting.

It was moved and carried that the Report of the Governance and Policy Committee be accepted and the recommendations of the Committee approved.

DISTRICT ADMINISTRATION COMMITTEE

The report of the District Administration Committee was presented by its Chairman, Senior Vice President Johnny Uy, and covered the following:

1. The Committee conducted the triennial review of area and division governor training materials and commended the World Headquarters staff for the impeccable job they did on updating all the materials to reflect our newly revised communication and leadership programs.

2. The Committee reviewed and recommended a plan for World Headquarters staff to develop tools and resources that would assist districts in improving district conferences. Recommended approaches include: assessing and implementing best practices, revising the District Leadership Handbook and exploring the feasibility of providing training for district conference chairmen.
3. The Committee reviewed the reformation plans for Districts 46 and 47 and recommended that the districts proceed with the process of reformation, as outlined in policy, which will result in a final district split effective July 1, 2008.
4. The Committee recommended guidelines for sponsorship of district events to include speakers and related product sales. The Committee recommended changes to policies and procedures affecting fundraising and district fiscal management, in order to reference specific guidelines that will be included in the District Leadership Handbook. Amend Policy V1 D11 as follows: under Acceptable Fund-Raising Activities, second to last bullet add, “*Accepting sponsorship opportunities at the district level as outlined in the District Leadership Handbook.’ Amend Policy V1 D6 as follows: under Fund-raising by Districts, after the last sentence add, “Toastmasters International permits districts to secure sponsorship opportunities that may be available for district events as a viable strategy to help offset program costs. Guidelines are provided for sponsorship, product sales and required speaker contracts in the District Leadership Handbook”. These guidelines are effective August 23, 2006 and will be distributed to districts following the convention.

Item No. 4 recommended changes to policy. A separate vote was taken on this item and the item was moved and carried by the required two-thirds vote that the changes to policy be adopted.

It was moved and carried that the report of the District Administration Committee be accepted and the recommendations of the Committee approved.

MARKETING AND EDUCATION COMMITTEE

The report of the Marketing and Education Committee was presented by its Chairman, Second Vice President Chris Ford, and covered the following:

1. The Committee reviewed the current club officer training programs and materials and recognized that Toastmasters International has established programs of high quality and consistent content. These materials are now required to be used, which has significantly improved the quality of club officer training. The Committee made several recommendations for consideration in the 2007-2008 club officer training materials, such as:
 - More guidance to the VPE on managing the integration of the Competent Leadership manual into the club educational program.
 - Greater emphasis on tailoring training content to match the needs of mid year sessions

- Provide links to resources on the Toastmaster International Web site appropriate for each club officer position.
2. The Committee recognized the need for improved training quality and participation, and acknowledged multi-generational learning styles. To address these issues, the committee researched viable distance learning options within Toastmasters and explored the opportunities offered by distance learning to achieve training objectives. The Committee identified current training needs and gaps and assessed the benefits and risks of technology applications. The Committee instructed World Headquarters to explore technology applications consistent with the Toastmasters mission and vision.

It was moved and carried that the report of the Marketing and Education Committee be approved.

STRATEGIC PLANNING COMMITTEE

The Committee discussed additional learning and insights about our corporate accounts strategy. The experience and feedback from Caterpillar University about how they are utilizing our programs was reviewed.

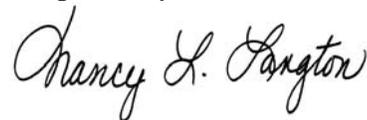
The Committee discussed the challenges and opportunities associated with the organization's growth. A consultant will be engaged to assist with a review of our governance structure and processes to assure we can provide the appropriate support to clubs throughout the world.

The Board accepted the report of the Strategic Planning Committee as presented by its Chairman, Immediate Past President Jon Greiner.

All items contained in the Minutes of this meeting shall be "unrestricted" upon distribution of the minutes by World Headquarters. The results of the Board meeting described in the Board Briefing, written and orally presented in open session on August 23, 2006, are "unrestricted."

The meeting was adjourned at 3:00 pm, on August 23, 2006.

Respectively Submitted,



Nancy Langton
Secretary/Treasurer

Distribution: Board of Directors
Past International Presidents
Past International Directors
District Governors
World Headquarters Staff
Nonprofit General Council

VID 3

Toastmasters International ***POLICIES AND PROCEDURES***

Origin Date: August 17, 1981

Last Updated: ~~October 1, 2005~~ **August 25, 2007**

ADDITIONAL DUES AND FEES AND SUBMISSION PROCESSES ESTABLISHED BY THE BOARD OF DIRECTORS

By authority of the Bylaws of Toastmasters International, the following dues and fees are established by the Board of Directors to become effective October 1, 2005:

1. **The annual dues payment for members of districted clubs shall be \$54, payable \$27 semiannually in April and October.**
2. The annual dues payment for members of undistricted clubs shall be \$42, payable \$21 semiannually **in April and October.**
3. The president or secretary of each member club shall submit or enter online the names of all members for whom dues are being paid. Any correction to member addresses should be made at that time. The list of names of those members renewing, as well as payment for those members are due by April 1 and October 1 **and must be received at World Headquarters by April 10 and October 10.**
4. **Members who join a club at a time other than in April and October shall pay a prorated membership dues payment equal to \$4.50 per month (districted) or \$3.50 (undistricted) for the period commencing with the month of the person's admission and ending on the next dues renewal report date.**
5. The new member fee for each new member admitted into membership of any club, including charter members of new clubs, shall be \$20.
6. The charter fee for any group desiring admission as a member club of Toastmasters International shall be \$125. If a club charters between dues renewal periods, at the time of chartering, the club shall pay six months dues in advance. At the next reporting period (April or October), the club will be required to submit prorated membership dues for the period beginning with the end of the initial six months advance payment to either March 31 or September 30, whichever occurs first. A dues renewal invoice, indicating the prorated membership dues for charter member will be sent to the club president by World Headquarters. At the next dues renewal period, the club will be on the normal dues renewal cycle.
7. Any club which fails to forward the remittance for a new member within 60 days after admission of the new member, or fails to forward its semiannual remittance by May 31

for the April through September period and November 30 for the October period shall be delinquent and not in good standing so long as the indebtedness remains unpaid. Such delinquency may be considered cause for World Headquarters to suspend or terminate the member club in accordance with policies and procedures prescribed by the Board of Directors from time to time.

8. The certification fee for any group desiring admission as a gavel club of Toastmasters International shall be \$50. The annual fee for gavel club operation shall be \$48, payable each November and prorated for groups requesting certification after November.

The Board of Directors shall review the dues, fees and submission processes of the organization at least every three years beginning in 2009.

In the event of a natural disaster **or other extenuating circumstances** affecting one or more member clubs' ability to pay membership dues, the Executive Director, after consultation with the International President, may postpone or reduce the membership dues for the affected club(s) **or take other appropriate measures**. It is the responsibility of the affected club(s) to contact World Headquarters for consideration.

Reference: Bylaws of Toastmasters International, Article IV, Sections 2 (a), 2 (b), 2 (c) and 2 (d)