



**Minutes of the 2015-2016 Board of Directors Meeting
Washington, D.C., United States
August 15-16, 2016**

The 2015-2016 Toastmasters International Board of Directors convened on August 15-16, 2016, with International President Jim Kokocki DTM, presiding. The other officers and directors present were: Balraj Arunasalam, DTM; Steven Chen, DTM; Lark Doley, DTM; Russell L. Drake, DTM; Teresa S. Dukes, DTM; Ede Ferrari-D'Angelo, DTM; Magnus Jansson, DTM; Ross Mackay, DTM; Mohammed Murad, DTM, DTM; Patrick Oei, DTM; Margaret Page, DTM; Nagaraja Rao, DTM; Gloria Shishido, DTM; Charlie Starrett, DTM; Mike Storkey, DTM; Joan Watson, DTM; Dennis E. Wooldridge, DTM. Chief Executive Officer Daniel Rex, Chief Operations Officer Sally Newell Cohen and Secretary/Treasurer Jennifer Quinn also were present.

BOARD OF DIRECTORS

The meeting began with a welcome from International President Kokocki.

EXECUTIVE COMMITTEE

The report of the 2015-2016 Executive Committee was presented by International President-Elect Mike Storkey, DTM, and covered the following items considered at its August 13-14, 2016 meeting:

The 2015-2016 Executive Committee convened on August 13-14, 2016, with International President, Jim Kokocki, DTM presiding. The other officers present were: International President-Elect Mike Storkey, DTM; First Vice President Balraj Arunasalam, DTM; Second Vice President Lark Doley, DTM; Immediate Past International President Mohammed Murad, DTM and Chief Executive Officer Daniel Rex. Chief Operations Officer Sally Newell Cohen and Secretary/Treasurer Jennifer Quinn were also present. No committee members were absent.

1. The Committee reviewed the performance of the organization and appreciates the tremendous efforts of members, clubs and districts around the world to support and grow the organization.
2. Strategic Planning Committee Chair Murad initiated a discussion on success metrics. The Distinguished Club Program measures success at the club level, the District Recognition Program measures success at the district level, and organizational performance is measured by club and membership growth. The Strategic Planning Committee discussed the need to further develop specific measurement metrics in order to create alignment and consistency in how success is measured throughout each level in the organization. The Committee will continue its work on success metrics throughout the 2016-2017 year.
3. The Committee reviewed the progress of newly reformed districts: District 4 (North of Mountain View, California) and District 101 (South of Palo Alto, Northern California), District 42 (Southern Alberta and Southern Saskatchewan, Canada) and District 99 (Northern Alberta and Northern Saskatchewan, Canada), District 51 (Northern Malaysia, Kuala Lumpur and Putrajaya)



and District 102 (Southern Malaysia), and District 85 (Eastern China) and District 88 (Northern China).

The Committee also reviewed the status of reformatations that will take effect on July 1, 2017: Founder's District (Southern Orange County, California) and District 100 (Northern Orange County and Southeastern Los Angeles, California); District 20 (Bahrain, Kuwait, Qatar) and District 105 (Oman, UAE, Jordan, Lebanon); District 30 (McHenry, Lake, DuPage and North Cook County, Illinois) and District 103 (South Cook County, Illinois); and District 79 (Eastern Saudi Arabia) and District 104 (Western Saudi Arabia).

4. The Committee recommends to the Board the following:
 - a. Approve a request from District 6 (Minnesota and West Central Ontario) to begin the reformation process, resulting in reformation on July 1, 2018. The Committee also recommends District 106 as the next assigned number.
 - b. Approve a joint request from Districts 59 and 95 (Continental Europe) to begin the reformation process into six districts, resulting in reformation on July 1, 2018.
 - c. Approve a request from Provisional District 94 (West Africa) to amend its boundaries to include The Gambia and Cameroon. Although the district also requested that Chad, Cape Verde and Guinea Bissau be added to the district, the Committee recommends that the district resubmit the request when there are clubs in each country.
 - d. Protocol 7.0: District Structure stipulates that the Board review the progress of any provisional district within three years of being granted provisional district status. The Committee reviewed the progress and status of Provisional Districts 93 (Korea), 94 (West Africa) and 97 (Southeast Asia) and commends the leaders for their efforts and progress. The Committee also recommends that the organization provide additional support to foster future success.
5. The Committee received an update on Toastmasters International Singapore Ltd., which was established in July 2015 to enable District 80 to properly establish bank accounts and conduct transactions to legally protect the district leaders and the organization. The Committee also discussed creating a legal entity in Qatar and authorized World Headquarters to open a bank account in the name of Toastmasters International while it continues research on establishing a legal entity there.

The Committee discussed the recent legislation passed in China requiring all foreign Non Governmental Organizations (NGOs) conducting activities within China to establish and register a representative office. This law takes effect on January 1, 2017; however, the Ministry of Public Security and other relevant authorities have yet to issue a list of the Supervisory Authorities that will define a potential process for Toastmasters International in China. Until this occurs, Toastmasters cannot move forward with registration; however, the Committee views this legislation as favorable and is committed to supporting and protecting the members and clubs in China. Toastmasters International will continue to consult with legal counsel and take appropriate action.

6. The Committee conducted a review of the Chief Executive Officer's performance and commended Chief Executive Officer Rex for his efforts and exceptional contribution. The



Committee also recommends a compensation package for the Chief Executive Officer for the 2016-2017 year, relying upon written submissions, including comparative salary data, as well as the Committee members' own observations and experiences. While the Chief Executive Officer was excused from the room, the Committee reviewed confidential advice regarding compliance with Section 4958 of the United States Internal Revenue Code, made factual findings and adopted extended resolutions as appropriate. Also, in accordance with the California Nonprofit Integrity Act (NIA) of 2004, the Committee determined that the compensation of the Chief Executive Officer is just and reasonable compared to similar organizations.

The Board voted to accept and approve the recommendations and actions in the report.

BOARD OF DIRECTORS

1. The Board of Directors reviewed and unanimously voted to accept the agenda for the meeting.
2. The Board reviewed and accepted the minutes of the Board discussions held on July 28 and August 1, 2016 minutes.
3. The Advisory Committee of Past Presidents (ACPP) is a standing committee that submits comments and recommendations to the Board of Directors. ACPP Chair Mohammed Murad, DTM, provided an update on the committee's work and brought forward requests for the Board to consider:
 - a. Currently ACPP members receive an agenda in advance of each Board meeting. In order to provide more timely and valuable input in support of the Board's work, the committee requests that they receive an overview of each topic scheduled for discussion by the Board of Directors. The Board voted to authorize the ACPP Chair to provide additional information.
 - b. The committee recommended potential modifications to Policy 11.4: Board of Directors Committees related to communication between ACPP members and individual International Directors. The Board discussed and considered their advice.
4. The Board received reports from International President Jim Kokocki, DTM and Chief Executive Officer Daniel Rex on the status of the organization.
5. In February 2016, the Strategic Planning Committee discussed a need for the Board to complete a self-assessment to evaluate its performance and create a basis for future assessments. Strategic Planning Committee Chair Murad led the discussion on Board performance based on the results of the self-assessment completed in July 2016. The Board believes that the self-assessment is a valuable tool to identify growth opportunities, and determined that a plan should be put in place to evaluating the Board's collective and individual performance periodically.



6. The Board received an in-depth update on critical strategic initiatives in process at World Headquarters. The chief officers of finance, information, member engagement and support, and operations presented an overview of the benefits and risks, timeline, staff resources and budget allocated for each project to facilitate the Board's decision-making related to budget and priority.
7. The Board reviewed and voted to modify the annual budget review and approval process and timeline beginning with the 2017 Toastmasters International budget. Prior to budget discussions, the Board will receive a project summary roadmap, supported by project summaries and project plans, along with departmental service overviews to enable a deeper understanding of the staffing and funds required to complete organizational work. The Board reviewed and agreed with modifications to Protocol 11.1: Board of Directors Meetings, to require the proposed annual budget be provided to the Board of minimum of 10 days prior to the scheduled discussion.
8. The Toastmasters Pathways learning experience represents a paradigm shift in how members can interact with the education program because they will have a choice. The educational materials that support the program will be available both in print and online; however, the online experience will be richer with the availability of video, tutorials, interactivity and online tracking. The Board reviewed the costs for the new program and approved a pricing strategy that will launch in parallel with the rollout of Pathways:
 - New members pay a one-time \$20 fee that includes
 - First path
 - Online copy of The Navigator (a how-to-start guide that replaces the new member kit)
 - New members who wish to receive a printed copy of The Navigator will be responsible for shipping costs
 - Members who choose to purchase a printed copy of their path will be charged a \$25 fee (all materials are downloadable from Base Camp free of charge)
 - The cost for each new path is \$20
 - Current members will receive their first path at no cost
9. International Speech Contest semifinals have been conducted at International Convention since 2010, when there were 81 districts. Each year the number of districts represented in the semifinals increases. As a result the amount of convention time devoted to contests increases and cost Toastmasters International pays for semifinalist travel and event-related expenses grows. To reduce this cost while preserving the integrity and significance of the International Speech Contest the Board voted to introduce region-level quarterfinal contests beginning with the 2018-2019 contest cycle that would result in 14 semifinalists competing during International Convention. The Board also directed World Headquarters to provide details of the process and requirements in a future Board meeting.



10. The Board reviewed and discussed the progress of previous committee work between 2010 and 2016 and identified the need to formalize a process to regularly review and monitor the status all the resulting projects and reprioritize, if needed. The purpose is to ensure that recommendations from previous committees can be executed in a timely manner.
11. In 2015, the District Efficiencies Committee developed recommendations resulting in increased emphasis and resource allocation on mission-focused activities, along with recommendations that resulted in less emphasis on and fewer resources dedicated to non-mission-focused activities. The committee requested an analysis of the October/November district conferences, including a financial and resource analysis. The Board reviewed the analysis and believes that district leaders' energy could be better spent on building relationships and promoting club growth, not on preparing for conferences. Therefore, the Board voted to discontinue October/November district conferences beginning in 2018 and asks districts to refocus their efforts on leadership and education through TLIs or other learning opportunities.

The Committee also recommended a streamlined and simplified budget process to reduce the administrative burden and enable the districts to focus on the mission. It received an update on the Concur expense reporting system and recommends that all districts adopt the tool as it becomes available.

The Board also reviewed and discussed a district training needs analysis requested by the Committee, which includes additional face-to-face and blended learning to better for district leaders to better prepare them for success. The Board will continue discussions at a future Board meeting.

Finally, the Board was provided an update on the Leader Development and Training Committee's feasibility report, acknowledging receipt and approving the recommendations to be implemented in the future.

12. The Board received reports from three committees:

- a. Region Composition Committee

The Committee was tasked with reviewing the current region structure to ensure proper balance of clubs within each region. Since the last review in 2013, Regions 11 and 13 have grown considerably. Through evaluation of Toastmasters' historical and governing documents, the Committee found that the sole purpose of regions was geographical representation on the Board of Directors. The Committee proposed recommendations to increase the efficiency of the Board of Directors, to increase district-level leadership mentoring and training and to determine the most efficient boundaries for districts within the current region structure.

The Board voted to accept the report as presented and defer the Committee's recommendations to a future Board Committee for further review.



b. Engagement and Marketing Committee

The Committee was tasked with assessing and evaluating club and district marketing strategies and tactics; considering potential club and district marketing strategies and tactics at the club and district level; and discussing the role Toastmasters International plays in supporting potential new strategies at the club and district levels. The Committee evaluated the district team structure and evaluated opportunities to link marketing and public relations success in the handbooks, success plans, training and resource materials. The Committee also discussed accountability for measurable deliverables as a part of each success plan. Finally, the Committee sought to clarify the roles of the Club Growth Director, Public Relations Manager, Division Director and Area Director as each relates to district marketing and public relations plans, and offered recommendations for additional leadership roles that could earn credit toward the DTM. The result was a white paper that offers a comprehensive analysis of the tools and tactics used today, an evaluation of the effectiveness of each and recommendations for potential strategies and tactics to better enable clubs to grow membership and districts to grow clubs and support all clubs in achieving excellence.

The Board voted to accept the white paper as presented for World Headquarters to implement in the future.

c. Club Officer Roles Committee

The Committee was tasked with developing a list of the activities that must be accomplished at the club level to support club quality and success, and to define how each task is accomplished and how it relates to real-world scenarios. The Committee sorted those tasks into logical groupings to determine if each group of tasks could potentially be best accomplished by an individual officer or by an officer leading a committee. The result was a white paper that will lead to better training, support and understanding of how to encourage effective club leadership for the benefit of members and of developing quality clubs in line with the objectives of the current Strategic Plan.

The Board voted to accept the white paper as presented for World Headquarters to implement in the future.

13. The Board reviewed and approved modifications to Policy 8.0: Dues and Fees (attached) and Policy 8.4: District Fiscal Management (attached) specifically related to the October 2016 dues increase.



Pursuant to Policy 11.3, items contained in the minutes of this meeting were classified as "unrestricted" upon distribution of the minutes by World Headquarters, not to include any matters marked "restricted".

A handwritten signature in black ink, appearing to read "Jennifer Quinn", is located to the right of the distribution list.

Jennifer Quinn
Secretary/Treasurer

Distribution: Board of Directors
Nonprofit General Counsel
Chief Executive Officer
Past International Presidents
Past International Directors

Dues and Fees

1. Membership dues payments are governed by Article IV, Section 2 of the Bylaws of Toastmasters International.
2. The annual dues amount for members of districted clubs is ~~\$72~~ **\$90**, payable as ~~\$36~~ **\$45** semiannually **in April and October**.
3. The annual dues amount for members of undistricted clubs is ~~\$54~~ **\$67.50**, payable as ~~\$27~~ **\$33.75** semiannually **in April and October**.
54. A member who joins a club at a time other than in April and October pays prorated dues ~~equal to \$6.00 per month in districted clubs, or \$4.50 per month according to the following table: in undistricted clubs for the period beginning with the month of the member's admission and ending with the last month of the current dues renewal period.:~~

Join Month	Districted Clubs	Undistricted Clubs
May or November	\$37.50	\$28.13
June or December	\$30.00	\$22.50
July or January	\$22.50	\$16.88
August or February	\$15.00	\$11.25
September or March	\$7.50	\$5.63

5. The names of the members for whom dues are paid are submitted with the dues payments.
6. The new member fee for each new member, including charter members of new clubs, is \$20.
7. The charter application fee for a new club is \$125. New clubs pay dues six months in advance. This may result in the need to submit prorated membership dues for the subsequent dues renewal period.
8. The certification fee for a gavel club is \$50. The annual renewal fee for a gavel club is \$48, payable each November and prorated for groups requesting certification after November.
9. Club charter fees and membership dues and fees are paid by that club or an appropriate sponsoring agency, company, or group and not from district funds, or a district leader's personal funds, except when that district leader is also a president, vice-president, or treasurer of that club. Club charter fees may be paid by another club, however membership dues and fees may not.
10. The Board of Directors reviews the dues, fees, and submission processes at least every three years beginning in 2009.
11. In the event of a natural disaster or other extenuating circumstance affecting one or more clubs' ability to pay membership dues, the Chief Executive Officer, after consultation with the International President, may postpone or reduce the membership dues for the affected clubs or take other appropriate measures. It is the responsibility of the affected clubs to contact World Headquarters for consideration.

District Fiscal Management

1. District financial management is governed by Article XII, Section 2 of the Bylaws of Toastmasters International and by Article XII, Section (a) of the District Administrative Bylaws, which includes requirements for transfers of funds from Toastmasters International to the district. From the membership dues collected by World Headquarters, the Board of Directors makes funds available for district activities.

A. These funds include the amounts available in the respective district reserve accounts.

~~B1. They include \$18.00 annually computed and available at the rate of \$9.00 is distributed semiannually for each member for whom membership dues are received within the district.~~ **For each member for whom membership dues are received within the district, \$22.50 is deposited in the district reserve account in semiannual payments of \$11.25.**

~~G2. They include \$1.50 per month for each member from whom prorated membership dues are received within the district, but no more than \$9.00 every six months.~~ **For each member from whom prorated membership dues are received within the district, funds are deposited in the district reserve account according to the following table:**

Join Month	Amount
May or November	\$9.38
June or December	\$7.50
July or January	\$5.62
August or February	\$3.75
September or March	\$1.88

2. All district funds, regardless of source, are Toastmasters International funds and are to be used to carry out the Toastmasters International and district missions.

3. The district director, either the program quality director or club growth director, and finance manager may jointly establish district bank accounts and shall have signatory authority on all accounts established by the district and those established on behalf of the district by Toastmasters International, including any division, area, and conference accounts. Alternate signers are permissible only if approved by the Toastmasters International Executive Committee.

4. Funds in district bank accounts must be available on demand. They may not be placed in any type of investment account (i.e. where the funds are at risk or the account has a maturity date).

5. If authorized by the district and included as part of the district budget, a division, area, or conference is allocated funds and has its own budget.
 - A. Division, area, and conference financial activity is subject to the supervision of the district director and must be included in the quarterly Profit and Loss Statement, mid-year audit, and year-end audit.
 - B. Monthly division, area, and conference financial activity reports, showing variances with explanations, must be provided to the district director, program quality director, and club growth director within 30 days of the end of the month.
 - C. Funds in division, area, and conference bank accounts are owned by the district and by Toastmasters International. The administration of division, area and conference funds shall follow the same rules as district funds.
6. The Chief Executive Officer withholds district funds as needed and, with the approval of the Executive Committee, assumes financial control of a district.