

BOARD OF DIRECTORS

June 5, 2018

DRAFT MINUTES

Board Members Present: Jessica Henderson Daniel, PhD, ABPP; Rosie Phillips Davis, PhD, ABPP; Antonio E. Puente, PhD; Jean A. Carter, PhD; Jennifer F. Kelly, PhD, ABPP; Arthur C. Evans Jr., PhD; Le Ondra Clark Harvey, PhD; Helen L. Coons, PhD, ABPP; Stewart E. Cooper, PhD, ABPP; Joseph J. Coyne, PhD; Mitchell J. Prinstein, PhD; Beth Rom-Rymer, PhD; Peter L. Sheras, PhD, ABPP; and Frank C. Worrell, PhD

Board Members Absent: Ian A. Gutierrez, MS, MA and Kevin Donnellan

A. The Board voted to recommend that Council approve amending APA's Association Rules as follows (bracketed/strikethrough material to be deleted; underlined material to be added):

25. STRATEGIC PLANNING FOR THE ASSOCIATION

The CEO of APA will be responsible for an ongoing strategic planning process for the Association. Every five years, the CEO shall submit a proposed strategic plan to Council for approval. If Council does not approve the proposed strategic plan, Council shall refer the plan to the CEO for revision.

The CEO will be responsible for reporting annually to the APA Council of Representatives and Board of Directors on the status, results, and implications of the strategic planning process.

60. COUNCIL LEADERSHIP TEAM

60-1.1. There shall be a Council Leadership Team (CLT) that shall a) manage a procedure to select and oversee Council's strategic issue discussions; b) assist the Agenda Planning Group in prioritizing and determining the appropriate disposition of new items coming through the triage system; c) assist the President in determining the priorities for Council and the order of business for meetings of Council; d) initiate and oversee the work of any boards and committees reporting directly to Council; e) provide a recommendation to Council on all motions brought before Council for its consideration; f) regularly review the structure and function of Council (including orientation of new members) and handle complaints about Council functions and operations; and g) lead Council in reviewing and ~~revising~~ approving the strategic plan and ensure that APA policies are aligned with APA's mission and strategic plan.

B. The Board voted to recommend that Council approve the following motion:

That Council approves that for a three-year period (2019-2021), at the beginning of each Council meeting, after the meeting agenda has been determined, Council will be asked to vote on a motion to 1) suspend Association Rule 30-2.1 and 2) agree to require Council members votes on each open session agenda item, with the exception of procedural votes, (including votes in favor, against,

abstaining, recusing or not voting) be published on the Association's website with access for members only. Council members will be given opportunity to have an explanation of their votes published if they choose to do so. *(A 2/3 vote of all Council members present is needed to suspend the Association Rules. If the motion fails, Council members' votes will not be published for that meeting).*

That Council approves that for a three-year period (2019-2021), the Board of Directors and Council Leadership Team will be required publish their members' votes on each open session agenda item (including votes in favor, against, abstaining, recusing or not voting) on the Association's website with access for members only.

C. The Board voted to approve that the Committee on Disability Issues in Psychology be funded to have an in-person meeting in Fall 2018. The Board asked staff to explore options for meeting accessibility standards and guidelines when conducting virtual meetings.

BOARD OF DIRECTORS

June 8-10, 2018

DRAFT MINUTES

Board Members Present: Jessica Henderson Daniel, PhD, ABPP; Rosie Phillips Davis, PhD, ABPP; Antonio E. Puente, PhD; Jean A. Carter, PhD; Jennifer F. Kelly, PhD, ABPP; Le Ondra Clark Harvey, PhD; Helen L. Coons, PhD, ABPP; Stewart E. Cooper, PhD, ABPP; Joseph J. Coyne, PhD; Kevin Donnellan; Ian A. Gutierrez, MS, MA; Beth Rom-Rymer, PhD; Peter L. Sheras, PhD, ABPP; Frank C. Worrell, PhD

Board Members Absent: Mitchell J. Prinstein, PhD

I. MINUTES OF MEETINGS

A.(1) The Board voted to approve the minutes of its March 8, 2018, meeting; the minutes of its following 2018 calls: March 23, April 3, May 8; and the votes taken by unanimous written consent between March 8, 2018, and May 31, 2018.

II. ELECTIONS, AWARDS, MEMBERSHIP AND HUMAN RESOURCES

A. The Board voted to appoint Mikhail Bogamaz, PsyD, and Linda K. Knauss, PhD, to serve on the Committee on Division/APA Relations from January 1, 2019 to December 31, 2021.

B. The Board voted to approve the board and committee election slates.

III. ETHICS

A.(2) The Board voted to approve the revised *Rules and Procedures of the Ethics Committee*.

IV. BOARD OF DIRECTORS

A.(3) The Board voted to approve the expenditure of \$65,000 from President-Elect Dr. Rosie Phillip Davis' presidential discretionary fund to fund the Deep Poverty Initiative and PSYCH SHORTS Video Initiative.

V. DIVISIONS AND STATE, PROVINCIAL AND TERRITORIAL PSYCHOLOGICAL ASSOCIATIONS

A.(4) The Board voted to recommend that Council approve the following amendment to Association Rule 210-12.1 (bracketed material to be deleted; underlined material to be added);

210-12. DIVISION DUES AND ASSESSMENT

Divisions may vote to make special assessments to be collected as part of the APA dues or collected separately by the divisions. All divisions must inform the Central Office in writing of the amount of their special assessments for the next calendar year [~~within five days following the APA convention~~] by June 1 each year.

B.(5) The Board took action on the item “Amendment to Association Rules: Strategic Planning” on its June 5, 2018, call. See minute “A” of the June 5, 2018, Board minutes.

C.(6) The Board took action on the item “Transparency of Decisions (NBI #23C/Feb 2016) on its June 5, 2018, call. See minute “B” of the June 5, 2018, Board minutes.

VII. PUBLICATIONS AND DATABASES

A.(12) The Board received as information the 2017 report of the American Psychologist.

VIII. CONVENTION AFFAIRS

A.(7). The Board voted to reject the following motion:

That the Board of Directors approves the addition of \$10,400 in the 2018 budget for reimbursing up to \$1,000 per person annually for travel expenses and funding a waiver of convention registration fees for the annual convention for members of the Board of Convention Affairs.

The Board had concerns about reopening an already approved budget as the Board believes that this should only be done in emergency situations. The Board also noted that a number of boards and committees have responsibilities during the Convention and therefore did not want to set a precedent by funding members of the Board of Convention Affairs to attend the Convention. The Board will be reviewing APA’s policies for funding members to attend meetings and will take the request from the Board of Convention Affairs into account when reviewing the policies as a whole.

IX. EDUCATIONAL AFFAIRS

A.(8) The Board voted to approve the following changes to the Accreditation Operating Procedures (bracketed/strikethrough material to be deleted; underlined material to be added):

4.1 Provision of Third-Party Comment

(a) The CoA will provide public notice of all programs scheduled for initial or periodic review prior to the beginning of each review year.

- (1) In the case of programs applying for continued accreditation, such notice will appear in the APA Monitor on Psychology and /or on the Commission on Accreditation website and will include a summary of the accreditation guidelines~~[-In addition, a notice regarding public comment will be added to the listing of accredited programs in American Psychologist]~~, along with instructions that questions regarding testimony be directed to the Office of Program Consultation and Accreditation. ~~Office~~. Such notice may also appear on related web pages with information for students/interns/residents.

5. CONFIDENTIALITY AND PUBLIC DISCLOSURE OF INFORMATION

An~~[-annual list of the status of accredited programs, and the year of each program’s next scheduled site visit will be published in the American Psychologist and an]~~ up-to-date listing of all ~~accredited~~ applicant programs will be regularly available on the Office of Program Consultation

and Accreditation website. Included in all published ~~[lists]~~ materials will be the identity of programs whose accreditation has been denied, or revoked, as well as those voluntarily withdrawing from accredited status. The CoA will make public notice of all accreditation decisions no later than 30 days following the CoA meeting at which the decisions were made. In the case of programs for which appealable decisions have been reached, and appeal has been filed, the CoA will note that the decision is under appeal.

~~[An updated list that includes changes in status or new programs since the previous annual list will be published midyear in the American Psychologist. In addition,]~~ After each meeting of the CoA, the published information regarding accredited programs will be updated as necessary by an addendum of decisions and will also be available through other means as appropriate. The CoA will share the accreditation status of programs with regional and specialized accrediting bodies as appropriate. All other information and the records used in accreditation decisions will be kept confidential by the CoA.

X. PROFESSIONAL AFFAIRS

A.(13) The Board received as information an update on the work of the Advisory Steering Committee for the Development of Clinical Practice Guidelines and APA Guideline Development Panels.

XII. PUBLIC INTEREST

A.(9) The Board voted to reauthorize the Committee on Psychology and AIDS for an additional three years through December 2021. A subgroup of the Board was asked to bring a motion back for the Board's consideration regarding expanding the scope of the committee to include other health disparities.

XIV. INTERNATIONAL AFFAIRS

A.(10) The Board voted to approve that APA sign a Memorandum of Understanding (MOU) with the Bangladesh Clinical Psychological Society, the Jamaican Psychological Society, and the European Federation of Psychologists' Associations respectively. Each of their Boards of Directors has approved signing an MOU with the APA.

XVI. FINANCIAL AFFAIRS

A.(11) The Board voted to 1) accept the audited Consolidated Financial Statements, the Supplemental Financial Report (A-133), the APA 750 LLC, and the APA Ten G LLC financial statements for the year ended December 31, 2017; and 2) appoint BDO USA, LLP to perform the 2018 APA audit and tax work (to be conducted in 2019) contingent upon negotiation of acceptable engagement terms.

BOARD OF DIRECTORS

June 19, 2018

DRAFT MINUTES

Board Members Present: Jessica Henderson Daniel, PhD, ABPP; Rosie Phillips Davis, PhD, ABPP; Antonio E. Puente, PhD; Jennifer F. Kelly, PhD, ABPP; Arthur C. Evans Jr., PhD; Le Ondra Clark Harvey, PhD; Helen L. Coons, PhD, ABPP; Stewart E. Cooper, PhD, ABPP; Joseph J. Coyne, PhD; Ian A. Gutierrez, MS, MA; Mitchell J. Prinstein, PhD; Beth Rom-Rymer, PhD; Peter L. Sheras, PhD, ABPP; and Frank C. Worrell, PhD

Board Members Absent: Jean A. Carter, PhD and Kevin Donnellan

A. The Board voted to determine that the *Principles for the Validation and Use of Personnel Selection Procedures* (5th ed.) is appropriate and does not present undue risk to the Association and refers the item to the Council Leadership Team for content review and to make a recommendation to Council.

B. The Board voted to reauthorize the Committee on Psychology and AIDS for an additional three years through December 2021. The Board requested that the CEO, in consultation with the Committee on Psychology and AIDS and the Board for the Advancement of Psychology in the Public Interest, develop a proposal for the Board's consideration that includes expanding the mission to psychology and health, in which psychology and AIDS will be one emphasis, renaming the Committee on Psychology and AIDS accordingly, and making an orderly transition of appointments to the renamed Committee.

BOARD OF DIRECTORS

July 10, 2018

DRAFT MINUTES

Board Members Present: Jessica Henderson Daniel, PhD, ABPP; Rosie Phillips Davis, PhD, ABPP; Antonio E. Puente, PhD; Jean A. Carter, PhD; Jennifer F. Kelly, PhD, ABPP; Arthur C. Evans Jr., PhD; Le Ondra Clark Harvey, PhD; Stewart E. Cooper, PhD, ABPP; Joseph J. Coyne, PhD; Justin Karr, MS, Mitchell J. Prinstein, PhD; Beth Rom-Rymer, PhD; Peter L. Sheras, PhD, ABPP; and Frank C. Worrell, PhD

Board Members Absent: Helen L. Coons, PhD, ABPP and Kevin Donnellan

The Board voted to determine that the *Guidelines for Psychological Practice with Boys and Men* is appropriate and does not present undue risk to the Association and refer the item to the Council Leadership Team for content review and to make a recommendation to Council.

BOARD OF DIRECTORS

July 17, 2018

DRAFT MINUTES

Board Members Present: Jessica Henderson Daniel, PhD, ABPP; Rosie Phillips Davis, PhD, ABPP; Antonio E. Puente, PhD; Jean A. Carter, PhD; Helen L. Coons, PhD, ABPP; Jennifer F. Kelly, PhD, ABPP; Arthur C. Evans Jr., PhD; Le Ondra Clark Harvey, PhD; Stewart E. Cooper, PhD, ABPP; Joseph J. Coyne, PhD; Justin Karr, MS; Mitchell J. Prinstein, PhD; Peter L. Sheras, PhD, ABPP; and Frank C. Worrell, PhD

Board Members Absent: Kevin Donnellan and Beth Rom-Rymer, PhD

A. The Board took the following actions related to the Report and Recommendations of the Presidential Work Group on an Expanded APA Advocacy Model:

- 1) The Board voted to recommend that Council receive the report of the Presidential Work Group on an Expanded APA Advocacy Model.
- 2) The Board voted to recommend that Council approve the concept of a unified Finance Committee and single Board of Directors to serve both the c3 and c6.
- 3) The Board voted to recommend that Council approve that the 2019 member dues allocation be 60% to the c6 and 40% to the c3.

B. The Board voted to recommend that Council approve the following motion:

Council recognizes that 17 Association initiatives and reforms identified by the Board and Council in the aftermath of the Independent Review have been completed while two others are on the path to completion. It is the sense of Council that, given the completion of the majority of the identified initiatives and reforms, APA should no longer feature the Independent Review report and related materials on its website. The [Timeline of APA Policies & Actions Related to Detainee Welfare and Professional Ethics in the Context of Interrogation and National Security](#) will remain on APA's website and will include an informational link to the Independent Review report.

Mitchell J. Prinstein, PhD, abstained from voting on this item.

C. The Board was informed of the plans developed by the Council Leadership Team for small and large group discussions at Council's August 2018 meeting of the item "Resolution to Amend Council's 2009, 2013 and 2015 Resolutions to Clarify that Psychologists May Provide Treatment to Detainees or Military Personnel in National Security Settings (NBI #35/AUG 2017)."

**BOARD OF DIRECTORS ACTION TAKEN BY UNANIMOUS WRITTEN CONSENT
BETWEEN MAY 31 AND JULY 17, 2018**

Board Members Present: Jessica Henderson Daniel, PhD, ABPP; Rosie Phillips Davis, PhD, ABPP; Antonio E. Puente, PhD; Jean A. Carter, PhD; Jennifer F. Kelly, PhD, ABPP; Arthur C. Evans Jr., PhD; Le Ondra Clark Harvey, PhD; Helen L. Coons, PhD, ABPP; Stewart E. Cooper, PhD, ABPP; Joseph J. Coyne, PhD; Kevin Donnellan; Ian A. Gutierrez, MS, MA; Mitchell J. Prinstein, PhD; Beth Rom-Rymer, PhD; Peter L. Sheras, PhD, ABPP; and Frank C. Worrell, PhD

The Board confirmed the following actions by unanimous written consent

A. In late June, the Board voted to recommend that Council adopt the following Resolution to Amend Council's 2009, 2013 and 2015 Resolutions that Address the Roles of Military Psychologists in National Security Settings as APA policy:

WHEREAS the American Psychological Association (APA) is an accredited non-governmental organization (NGO) at the United Nations (UN);

WHEREAS the U.S. ratified the Third Geneva Convention, relative to the treatment of Prisoners of War, in 1955;

WHEREAS the UN Security Council, of which the US is one of the five permanent members, adopted a report from the UN Secretary-General and Commission of Experts, concluding that the Geneva Conventions has passed into the body of customary international law in 1993;

WHEREAS the U.S. Supreme Court ruled on June 29, 2006, in *Hamdan v. Rumsfeld* that America's armed conflict with al-Qaeda was non-international in character and, as such, was governed by Geneva Conventions;

WHEREAS the Deputy Secretary of Defense issued a policy on July 7, 2006, mandating that military personnel adhere to Common Article 3 of the Third Geneva Convention in all dealings with detainees;

WHEREAS Chapter II, Article 13, of the Third Geneva Convention states that "Prisoners of war must at all times be humanely treated. Any unlawful act or omission by the Detaining Power causing death or seriously endangering the health of a prisoner of war in its custody is prohibited, and will be regarded as a serious breach of the present Convention. In particular, no prisoner of war may be subjected to physical mutilation or to medical or scientific experiments of any kind which are not justified by the medical, dental or hospital treatment of the prisoner concerned and carried out in his interest"¹;

¹ Retrieved from http://www.un.org/en/genocideprevention/documents/atrocities-crimes/Doc.32_GC-III-EN.pdf p. 97

WHEREAS Chapter II, Article 15, of the Third Geneva Convention states “The Power detaining prisoners of war shall be bound to provide free of charge for their maintenance and for the medical attention required by their state of health²,”

WHEREAS Chapter III, Article 30, of the Third Geneva Convention mandates that “Prisoners of war shall have the attention, preferably, of medical personnel of the Power on which they depend and, if possible, of their nationality³,”

WHEREAS the Detainee Treatment Act of 2005⁴ incorporates standards of the Eighth Amendment to the U.S. Constitution, including an adequate response to the medical and psychological care needs of prisoners;

WHEREAS military health care providers - physicians (including psychiatrists), specialists, nurses and physician assistants - are currently providing the full spectrum of health care to detainees, in accordance with their profession’s code of ethics, with only military psychologists excluded as a result of APA policy;

WHEREAS It is the unqualified policy of the American Psychological Association...to conduct its operations in strict compliance with the antitrust laws of the United States, laws which specifically prohibit any agreement or understanding restricting the scope of services provided by specific providers or types of provider, the locations in which psychologists may practice, or the classes of employees, patients, or collaborators with whom a psychologist may practice;

WHEREAS the 2009 Petition Resolution policy, which is incorporated and clarified in the 2013 and 2015 Council Resolutions, prohibits psychologists from working at detention settings deemed by APA policy to be operating in a manner inconsistent with the U.S. Constitution or international law “unless they are working directly for the persons being detained or for an independent party working to protect human rights,” or providing treatment to military personnel, effectively restricts detainees’ access to health care provided by psychologists, in direct contradiction to the Third Geneva Convention, as well as the 2005 Detainee Treatment Act⁵;

THEREFORE, BE IT RESOLVED that the 2009 Petition Resolution Policy, “Psychologists and Unlawful Detention Settings with a Focus on National Security,” and its incorporation into Statement 1, ¶ 1 of the Policy Related to Psychologists’ Work in National Security Settings and Reaffirmation of the APA Position Against Torture and Other Cruel, Inhuman, or Degrading Treatment of Punishment, (Adopted by COR August 2013, as Amended by COR August 2015), be amended as follows (bracketed/strikethrough material to be deleted; underlined material to be added):

² Ibid, p. 97

³ Ibid, p. 103

⁴ Retrieved from <https://www.dni.gov/index.php/ic-legal-reference-book/detainee-treatment-act-of-2005>

⁵ Retrieved from <http://www.apa.org/independent-review/psychologists-interrogation.pdf> p. 6

“psychologists may not work in settings where persons are held outside of, or in violation of, either International Law (e.g., the UN Convention Against Torture and the Geneva Conventions) or the US Constitution (where appropriate), unless they are working directly for the persons being detained or for an independent third party working to protect human rights, or they are working in a health care role for the express purpose of providing psychological treatment to detainees or military personnel. [7][#]*

**Footnote references (Fn. 7 from the original 2009 Petition Resolution Policy, and Fn. ii from the incorporation into the Policy Related to Psychologists’ Work in National Security Settings and Reaffirmation of the APA Position Against Torture and Other Cruel, Inhuman, or Degrading Treatment of Punishment), are to be deleted since they will be incorporated into the text.*

~~[7. It is understood that military clinical psychologists would still be available to provide treatment for military personnel]~~

~~ii. [It is clarified by a footnote in the Member Petition Resolution “that military clinical psychologists would still be available to provide treatment for military personnel.”—]~~

BE IT FURTHER RESOLVED that the following policies:

- a) 2015 “Resolution to Amend the 2006 and 2013 Council Resolutions to Clarify the Roles of Psychologists Related to Interrogation and Detainee Welfare in National Security Settings, to Further Implement the 2008 Petition Resolution, and to Safeguard Against Acts of Torture and Cruel, Inhuman, or Degrading Treatment or Punishment in All Settings”, and
- b) Policy Related to Psychologists’ Work in National Security Settings and Reaffirmation of the APA Position Against Torture and Other Cruel, Inhuman, or Degrading Treatment of Punishment, (Adopted by COR August 2013, as Amended by COR August 2015)

Be amended to include the following clauses (underlined material to be added):

BE IT RESOLVED that military psychologists are recognized as providers of mental health treatment to detainees in all national security settings if they are able to do so in full adherence to the *Ethical Principles of Psychologists and Code of Conduct* (Amended effective June 1, 2010 and January 1, 2017) (the “Ethics Code”) and are able to obtain any information or ask any questions necessary to act competently and ethically.

BE IT RESOLVED that APA strongly encourages the Department of Defense to make independent psychologists working for the detainees or for a human rights organization available as health care providers to detainees at sites identified in the 2015 resolution as operating outside of, or in violation of, the U.S. Constitution or international law.

BE IT RESOLVED that APA recommits to its anti-torture policy dating back to 1985 (incorporated into the Ethics Code as Standard 3.04 (b) as part of the implementation of the 2015 Council policy) and to continue to take strong action to oppose torture or cruel, inhuman, or degrading treatment or punishment of detainees held in U.S. custody and to safeguard their welfare.

Be amended as follows. Insert in a) at the end of paragraph 2, and in b) at the end of “Actions to be Undertaken by APA”, ¶ 1, the following text: (underlined material to be added):

Such communications to officers of the U.S. Government shall reflect current APA policy and clarify the appropriateness of qualified psychologists serving in a health care role for the express purpose of providing psychological treatment to detainees or military personnel in any national security setting.

B. In late June, the Board voted to recommend that Council approve amending APA's Association Rules as follows (bracketed/strikethrough material to be deleted; underlined material to be added):

210-2. BUDGET

210-2.1 In the financial policy of the APA, a distinction shall be made between general programs, direct service programs, and support functions.

~~[General programs (e.g. scientific affairs, public affairs) shall be supported by the dues of the membership and by any surplus of income over expenses generated from the direct service programs. General programs do not render a direct service but rather are activities that are intended to benefit psychology as a whole.]~~

~~A direct service program provides to individuals or organizations a product, benefit, or service for a fee. The financial goals for each current direct service program such as CE Credit Programs, Convention, Publications and Databases and Sponsor Approval shall be set annually by the Chief Executive Officer during the budget process.]~~

These overall financial goals should be considered with APA's commitment to providing programs and services that meet the scientific and charitable mission and the changing priorities of the association.

~~[Support functions comprise administrative or other services potentially used by all programs/offices of the Association, excluding common-use space and benefits which are direct charged. Support functions (e.g., human resources, administrative services) shall be conducted so that the total costs (including allocated costs) do not exceed 15% of the total gross expenses of the Association. The support functions shall have their net costs reallocated to program areas as indirect expense.]~~

Financial plans shall be made with the aim of ensuring that only necessary expenses shall be incurred in carrying out policies and programs ~~[approved by Council]~~ of the Association and that those expenses are consistent with the need to maintain a reasonable standard of performance. With respect to income, financial plans shall maximize income from all sources other than dues and shall support programs consistent with the basic objectives and professional standards of the APA. ~~[Membership dues shall be used essentially as a means for compensating for the difference between income and expenses resulting from Association programs.]~~ It shall be the goal to present a balanced integrated¹ budget annually (after consideration of the cash flow

¹ The integrated budget and margin include annual revenues and cash resources approved for spending less annual operating and non-operating expenses and those expenses incurred for special projects.

from building operations and a draw of up to 5% from the long-term investment portfolio ²) and manage operations during the year to produce a positive integrated budget operating margin over a rolling three-year period.

210-2.2 To achieve these goals, the chief executive officer (CEO) shall be responsible for developing the Association's annual budgets to be submitted to Council for approval. These budgets shall be reviewed, modified, and approved first by the Finance Committee and then the Board of Directors prior to submission to Council. The strategic planning process should represent the avenue by which the Association's priorities are set and new initiatives are approved.

210-2.3 In order that this policy can be adequately carried out, the financial records of the APA shall be so maintained as to permit a matching of direct income and direct expenses plus allocated expenses by program. The annual budget shall be developed in such a way that the projected difference between income and expenses, by program, can be readily determined.

~~[210-2.4 With respect to all budgets, the chief executive officer (CEO) shall strive to ensure that budgeted expenses are consistent with actual expenditures incurred and income realized during each budget year so that the budgeted "bottom line" is attained or improved upon.]~~

~~**210-2.4** Presidential discretionary funds. A fund will be allocated for presidential activities and should be spent during the first two years of the three-year cycle of each president. The Finance Committee shall regularly review and recommend changes to the fund limit. Council shall approve changes to the fund limit. The specific allocation of these funds, and any extension beyond the two years, shall be approved in advance by the Board of Directors.]~~

Presidential Activities Fund –A budget shall be established for presidential activities and should be spent during the first two years of the three-year cycle of each President. The Finance Committee shall be responsible for setting the presidential activities budget limit. Presidential activities funded by the Association must be consistent with the Strategic Plan and approved by the Board of Directors. The CEO shall facilitate completion of presidential activities by the end of the year of presidency and within the budget limit. The Board must approve any presidential activities that extend beyond the first two years of the Presidential cycle.

210-3. ORGANIZATIONAL FINANCIAL HEALTH

On a continuing basis, the Association shall strive to maintain long-term organizational financial health, which shall be measured as follows:

Short-term financial health.

² The draw from the long-term investment portfolio – The annual integrated budget will be supported by a draw of up to 5% of the average market value of the long-term investment portfolio over the previous 12 quarters ending 6 months prior to the beginning of the year. The amount of the draw will be reviewed annually during the budget process. The percentage will be recommended by the Investment Subcommittee and reviewed by the Finance Committee who will then make a recommendation to Council.

~~[Working Capital has been adopted as an industry-wide method of measuring short-term financial health.~~

~~Working Capital is defined as current assets* less current liabilities.**]~~

The Association shall strive to maintain ~~[working capital]~~ cash on hand as of December 31st equal to at least ~~[four]~~ three months of annual operating expenses and three months of the current portion of long-term debt.

~~[*Current Assets – Cash and other liquid assets (including investments) or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business.~~

~~**Current Liabilities – Liabilities whose regular and ordinary liquidation is expected to occur within a relatively short period of time, usually twelve months.~~

Long-term financial health

The Association shall strive to maintain long-term financial health. The long-term financial health of the Association will be measured/monitored in several ways:

- Maintaining a long-term investment portfolio ~~[net assets]~~ equal to at least ~~[four months of]~~ 30% of total annual operating expenses.
- Acknowledging a conservative estimate of fair market value (FMV) of equity in buildings as a point of reference³. ~~[(Note: including FMV of building equity in net assets for such measures is not industry standard recognizing that access is limited to borrowing until point of sale.)]~~
- Maintaining Standard & Poor's (S&P) Bond Rating BBB or higher.
- Complying with debt covenants, as applicable.

210-4. FORECAST

Consistent with the mission of the Finance Committee set forth in Article XI, section 3 of the APA Bylaws, the Finance Committee shall work with the CEO and the CFO in the development of an annual financial forecast (up to ~~[five]~~ three years) to be presented to Council annually. ~~[Based on the assessment of the forecast,]~~ ~~[t]~~ The Finance Committee shall recommend to the Board of Directors and to the Council of Representatives overall long-range financial goals for the Association. Upon approval of these goals by Council, ~~[they shall serve as the basis on which boards, committees, and]~~ the CEO will proceed to develop ~~[plans and]~~ budgets to achieve the organizational financial health requirements covered in Rule 210-3.

³ Including FMV of building equity in net assets for such measures is not industry standard recognizing that access is limited to borrowing until point of sale.