



PRINCIPLES *and* STANDARDS *for* INTERNAL GOVERNANCE

PACIFIC INSTITUTE FOR RESEARCH AND EVALUATION

The first edition of this document was adopted May 8, 2007.

The first revision was reviewed and supported by the Board of Directors on December 3, 2009.

The second revision was reviewed and supported by Board of Directors on May 1, 2013.

In keeping with its legal and fiduciary responsibilities, the PIRE Board supports the following principles, developed in collaboration with the CEO, CFO¹ and Center Directors², for the governance of the Institute.

1) PIRE, as a non-profit institution, is committed to serving the greater public good. In pursuit of that mission, decisions must balance broader institutional vision, fiscal realities and the recognition that PIRE is a collection of individual researchers and program Staff.

2) PIRE is committed to transparency in decision-making, encouraging communication, and soliciting input from Staff³ regarding important policies and decisions. Opportunities will be provided for Staff to serve on PIRE-wide committees in order to provide advice to Center Directors and PIRE Executive Management regarding priorities and other policies. Staff

serving in this role should be mindful that they are representing the best interests of PIRE as a whole, and not individual constituencies within it. The Center Directors will be responsible for communicating decisions to Staff and to securing input from them. PIRE will maintain documentation regarding the decision-making structure and processes of the organization, thereby ensuring that decision-making authority and responsibilities are clearly articulated.

3) Executive Management, in close collaboration with the Center Directors, will establish budgets and indirect rates for the General and Administrative (G&A) and Central Business Office (CBO) divisions of the organization, taking into account the interests and priorities of the Senior Staff⁴, as well as reflecting the mission of PIRE. Changes in CBO, G&A, and fringe benefit rates from one year to the next will be planned strategically in order to avoid large and

abrupt increases in their collective impact on existing projects. The annual G&A and CBO budgets and accompanying indirect rates will be approved by the Board before implementation. Actual expenditures and accompanying rates for G&A and CBO under these budgets will be jointly reviewed by the Executive Management and the Center Directors on a monthly basis; copies of these reports will be concurrently distributed to the Board Finance Committee and to the full Board prior to each Board meeting. G&A and CBO expenditures and accompanying indirect rates are not to exceed budgeted levels without the concurrence of the Center Directors acting in consultation with Senior Staff. Board approval is required when increases in budgets or rates exceed the approved budget.

4) Clear accountability for performance will occur for all levels of Staff including Senior Staff, Center Directors, CFO and CEO based upon written standards of performance

for each position/function. These objectives and processes will be applied consistently across the Institute and its Centers.

5) Senior Staff will participate with Executive Management in establishing Performance Objectives for Center Director and PIRE CBO Department heads and will provide input into the Center Directors' and CBO Staff annual performance review.

6) The Board will establish, in collaboration with Center Directors and Senior Staff, written Performance Objectives of the CEO. These staff will also participate in the annual evaluation of the CEO's performance according to these Objectives.

The CEO will lead collaborative efforts with the Center Directors and Senior Staff to review, evaluate, and, if necessary, revise the principles outlined in this document every two to four years. The Board will review and also offer suggestions.

¹ CEO and CFO are defined as Executive Management.

² Center Directors manage the research and program centers of PIRE and report to the CEO.

³ Staff consists of all PIRE employees.

⁴ Senior Staff is defined as Principal Investigators, Project Directors, Study Directors and Senior Scientists.