

Policy #1: iHEA Governance *(original adopted 16 April 2002; revisions adopted 20 August 2010)*

iHEA is a professional/scientific membership association operating under an executive directorship structure as described below. The organization was founded and developed by the current executive director, Professor Thomas E. Getzen. This narrative is intended for the use of the board and the membership to understand current operations and to facilitate orderly transitions as the organization grows and officers are replaced through election.

Legally, iHEA is a Pennsylvania Nonprofit Corporation (articles of incorporation dated May 10, 1994) which is recognized as a U.S. charitable 501(c)3 organization by the U.S. Internal Revenue Service (provisional letter dated December 15, 1995 with ruling dated May 25, 1999) governed by the bylaws adopted by the corporation (first version adopted May 10, 1994, current version revised April 2010). The bylaws of the corporation are contained in a separate document.

The Board of Directors of iHEA (hereafter "Board") is ultimately responsible for the organization, and has the right to modify the organization as it sees fit at any time under the bylaws. The Board will act between board meetings through an Executive Committee (EC). In order to maximize transparency of governance, all formal financial reports, minutes and decisions of Board and EC will be publicly posted within 30 days.

The functions of iHEA fall under four domains:

- . Mission and strategy
- . Funding
- . Peer-review
- . Operations

Mission and Strategy iHEA operates as a representative organization with the Board, rather than the membership, having ultimate authority. Strategic direction and new projects are considered by the Board and reported to the membership, rather than being subject to direct votes by the membership at large. This is true of projects initiated through the strategic planning process, by initiative of the EC or by the Board as a whole, and of any suggestion from individual members not on the Board outside the regular planning process. The development of initiatives and operational direction are the responsibility of the Board acting through the EC. Operations are the Executive Director's (ED) responsibility with regular reports going to the BOARD through the EC.

Funding is a shared responsibility of the ED and the Board. The budget is proposed for a two year period by the ED and approved by the Board on the recommendation of the EC. Financial reports (IRS form 990) are provided by the ED to the EC after the end of each fiscal year. Financial reports including payments, expenses and disbursements, are proposed by the ED for approval. Financial reports including investments and contractual obligations are proposed by the ED for recommendation to the Board for approval. Membership and sponsorship fees are proposed by the executive and approved by the Board. Efforts to obtain sponsorship for the organization and for the conferences are made by both the Board and the ED.

The Board's responsibility for financing includes oversight, the solicitation of sponsors, and setting the rules under which funding is accepted. The primary source of revenue is membership dues, supplemented by conference registration. Organizational memberships, sponsorships and special projects provide further supplemental income. Unlike many associations, iHEA does not engage in large-scale external activities to raise revenues (training programs, research grants and consulting).

Peer Review: Peer review is vital to the integrity of the association, its conferences and publications. Peer-review and the setting of scientific standards for proceedings, publications and other scientific activities are the responsibility of the Board. For all these purposes, the ED plays an important role but all decisions are made by the Board, the EC and its surrogates (conference committees, editorial boards, etc.). Since peer review is one of the most important functions of the Board, it is imperative that those nominated to the Board be recognized as experts and representatives of leading academic institutions by their peers - the iHEA membership.

Operations: The operational direction and decisions and the implementation of Board strategy are the responsibility of the Executive Director (ED) with the advice and consent of the EC. The executive office currently consists of the Executive Director and various staff acting in different capacities. The ED is responsible for conducting elections and making regular financial reports to the Board, membership and oversight agencies. In addition, it is the responsibility of the ED to generate and evaluate new opportunities and present them to the Board and the EC for consideration.

Appendix: **iHEA Board Roles**

Maintaining Academic Excellence

1. Board as representatives of excellence in health economics
2. Management of peer-review process
3. Scientific Committee
4. Lead Speakers
5. University Members
6. Publications, Archives

Financial Oversight

1. Audit & review accounting procedures.
2. Budget approval, set goals.
3. Assess & recruit sponsorship funding.
4. Maintain reserves.

Management Oversight & Succession

1. Assess management performance.
Plan for contingencies/Inevitabilities.