



# Resource Allocation Committee Report

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Virtual Board Meeting | April 22, 2021 | Larry R. Rute, Chair

The Resource Allocation Committee was established by the IAM Board of Directors at its meeting on December 5, 2020. The strategic goal of the Committee is to recommend proposals for allocation of surplus funds by IAM to the Board of Directors.

Members of the Committee are: Tracy Allen, Wendy Kramer, Douglas Murphy QC, Jonathan Lloyd-Jones, Michel Kallipetis, John Sturrock, Alicia Kuin, Steve Paul, Jon Fidler, *ex officio*, Richard Rejino, Executive Director, and Larry Rute, Chair. Committee meetings were held on January 12, 2021, January 30, 2021, and March 5, 2021.

## January 12, 2021

In general, there was consensus of the Committee that IAM should maintain 2-3 years of operating funds, in keeping with the IAM Bylaws. The reserve fund would be in the amount of \$100,000.

The discussion regarding remaining IAM surplus funds centered around potential funding for one-time international events, small grants, promoting international mediation ethical standards, membership support and scholarships. It was also agreed that Committee members Steve Paul, Jon Fidler, Larry Rute and Richard Rejino would consult with a law firm experienced in not-for-profit operations in the United States to discuss how other not-for-profits distribute excess funds.

## January 15, 2021

Committee members Steve Paul, Jon Fidler, Richard Rejino and Larry Rute consulted with Arthur Rieman, LFNB, the law firm for non-profits, Studio City, California.

## January 30, 2021

The discussion of the Committee centered around creating of a standing IAM Control Committee consisting of three members serving 3-year staggered terms. The Treasurer would be *ex officio* to the Committee. The Committee's responsibility would be to recommend to the IAM Board of Directors, the use, if any, of surplus funds.

## March 5, 2021

A Sub-Committee composed of Tracy Allen, Jonathan Lloyd-Jones, Alicia Kuhn, Steve Paul, Michel Kallipetis and Jon Sturrock recommended to the full Resource Allocation Committee proposed amendments to the IAM Bylaws. These amendments will be considered at the next IAM Board of Director's meeting. (See Attachment "A")

Respectfully Submitted,

Larry R. Rute, Chair  
April 15, 2021

## Proposed amendments to the By-Laws

### ARTICLE II

**Section 3.** Regular meetings of the Board of Governors shall be held at least semi-annually in conjunction with the Annual Meeting of the Membership and any other Meetings or Educational Conferences PROVIDED ALWAYS one such meeting shall be held not more than two weeks before the Annual Meeting of the Membership (“the Annual Board Meeting”). Other meetings of the Board may be held at such time and place as the President may designate in consultation with the Board. Attendance at Board meetings may be in person or by telephone or other interactive electronic means. The Board shall consider such matters as may be properly brought to its attention.

### ARTICLE IX

**Section 3.** The annual dues payable for the following year shall be determined by the Board at the Annual Board Meeting each year.

### ARTICLE VI – COMMITTEES

**Section 1.** The Board of Governors may create standing and special committees of the Academy, Board of Governors, or membership as may be helpful in accomplishing the business, goals, core values, and mission of the Academy. Such committees may include, but shall not be limited to:

- Communications & Outreach
- Conference Planning
- Diversity & Inclusion
- Membership
- Member Services
- Mentorship
- Recruiting
- Pro Bono
- Scholar-In-Residence
- Allocation Committee

**Section 2.** The Academy may establish a Professional Development Institute to serve as the method of providing formal educational programs and courses of study to both Academy members and the public. The Professional Development Institute may formally certify completion of programs, curriculum and/or mediation theory and practice training modules for individuals.

**Section 3.** The Chair, Co-Chairs and Members of any Committees shall be selected by the President. The President may delegate such Committee membership selections to the Chair or Co-Chair of any Committee. The term of office for a Committee Chair, Co-Chair, or Committee member shall be no less than one (1) year and no more than three (3) years, as determined by the President, unless otherwise directed by the Board of Governors. The Board of Governors, by majority vote, may remove any Chair, Co-Chair or Member from any Committee and may extend or shorten the time of service of any Committee member, Chair, or Co-Chair.

**Section 4.** The President shall appoint Members to such other special committees or task forces, or as liaisons to other organizations, as the Board of Governors may designate to further the Mission, purposes, and objectives of the Academy.

**Section 5.** The Members of the Allocation Committee shall be selected by the President upon the advice of the Nomination Committee and shall consist of a former President who is not on the Board of Governors ex officio; a Distinguished Fellow of at least five years standing; a Fellow of at least three years standing and the President and the Treasurer. Each member of the Allocation Committee shall hold office for at least three years save that the first former President shall be appointed for one year and the first Distinguished Fellow for two years.

#### **ARTICLE XII - RESERVE FUND AND ALLOCATION FUND**

**Section 1.** A Reserve Fund shall be established and shall be maintained by the Board of Governors. No part of the principal of the Reserve Fund may be utilized for any purposes unless authorized by a two-thirds (2/3) vote of the Board of Governors. The sum to be held in the Reserve Fund shall be determined by the Board at the Annual Board Meeting each year and shall be such sum as is sufficient to fund the average annual expenses of the Academy as calculated upon the previous three years expenditure, the provisions of Article XIV and any other exigencies anticipated for the coming year.

**Section 2.** Any funds held by the Academy and not required for the running of the Academy for the current year shall be held in the Allocation Fund and administered by the Board taking into account the advice of the Allocation Committee. All applications for the use of funds held in the Allocation Fund shall be submitted for consideration by the Allocation Committee who will recommend in writing to the Board an acceptance, amendment, modification or rejection of the application. In making its recommendation to the Board the Allocation Committee shall have regard to the Mission, purposes and objectives of the Academy.

#### **ARTICLE XIII - AMENDMENTS**

**Section 1.** Amendments to the By-Laws may be made by resolution of the majority vote of the Board of Governors or by a two-thirds (2/3) vote at the Annual or a special meeting of the Membership.

#### **ARTICLE XIV – INDEMNIFICATION**

**Section 1.** Non-derivative Actions. Subject to all of the other provisions of this Article, the Academy shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding, including but not limited to, any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Academy). Such indemnification shall apply only to a person who was or is a Governor, Ex-Officio member of the Board of Governors, Director or Officer of the Academy, or who

was or is serving at the request of the Academy as a partner, trustee, employee, or agent of the Academy. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Academy. With respect to any criminal action or proceeding, such person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, 12 order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not by itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Academy, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

**Section 2. Derivative Actions.** Subject to all of the provisions in this Article, the Academy shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding by or in the right of the Academy to procure a judgment in its favor because (a) the person was or is a Governor, Ex-Officio member of the Board of Governors, Director, or Officer of the Academy or (b) the person was or is serving at the request of the Academy as a partner, trustee, employee, or agent of the Academy. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Academy. However, indemnification shall not be made for any claim, issue or matter in which the person has been found liable to the Academy unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

**Section 3. Expenses of Successful Defense.** To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, such person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this Article.

**Section 4. Contract Right; Limitation on Indemnity.** The right to indemnification conferred in this Article shall be a contract right and shall apply to services of a Governor, Ex-Officio member of the Board of Governors, Director, Officer, partner, trustee, employee, or agent on behalf of the Academy. Except as provided in Section 3 of this Article, the Academy shall have no obligations under this Article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board of Governors.

**Section 5. Determination That Indemnification Is Proper.** Any indemnification under Section 1 of this Article (unless ordered by a court) shall be made by the Academy only as authorized in the specific case. The Academy must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 1. Such determination shall be made in the following ways: a) By a majority vote of the Board consisting of Governors who were not parties to such action, suit, or proceeding. 13 b) If the majority vote described in clause (a) above is not obtainable, then by a majority vote of a committee consisting of seven (7) Members appointed by the President who are not parties to the action. c) If the majority vote

described in clauses (a) and (b) above are not obtainable, then by independent legal counsel in a written opinion.

**Section 6.** Proportionate Indemnity. If a person is entitled to indemnification under this Article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Academy shall indemnify such person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which such person is entitled to be indemnified.

**Section 7.** Expense Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in this Article may be paid by the Academy in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Academy. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

**Section 8.** Non-exclusivity of Rights. The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Academy. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

**Section 9.** Former Governors, Directors and Others. The indemnification provided in this Article continues for a person who has ceased to be a Governor, Ex-Officio member of the Board of Governors, Director, Officer, partner, trustee, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of that person.

**Section 10.** Insurance. The Academy may purchase and maintain insurance on behalf of any person who (a) was or is a Governor, Director, Officer, partner, trustee, employee, or agent of the Academy or (b) was or is serving at the request of the Academy in any such position. Such insurance may protect against any liability asserted against such person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Academy would have power to indemnify against such liability under this Article or the laws of the State of Nevada.